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Daily Report

Annex

East Asia

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East Asia
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Inter-Asian Affairs

South China Sea Dispute, Asian Stability Viewed

OW1707141592 Tokyo NIHON KEIZAI SHIMBUN in Japanese 14 Jul 92 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Editorial: "South China Sea and Stability in Asia"]

[Text] Following the end of the cold war, the dissolution of the cold war structure has proceeded in Asia as can be noted in the situations on the Korean peninsula and Indochinese peninsula. Nevertheless, Asia can hardly be said to have become sufficiently stabilized because there are still seeds of regional disputes in various places. One of them is the dispute on territorial rights in the South China Sea among neighboring countries. Moreover, what deserves our concern is the fact that there are signs that the dispute has become intensified. In this connection, it is requested that all concerned nations, China in particular, be cautious in dealing with this issue.

China, Taiwan, Vietnam, the Philippines, Malaysia, and Brunei have claimed their right of dominion over the Nansha Islands (the Spratly Islands) in the South China Sea, and China and Vietnam were engaged in an armed conflict in 1988.

Last February, China adopted the Territorial Waters Law, in which the Nansha Islands are clearly stipulated as Chinese territory. Then in May, China signed contracts with U.S. companies on exploiting and developing off-shore oil fields within its economic sea zones. And reportedly, Chinese naval activities in the waters near the islands have been activated.

The reason why various nations have come to share acute interests in these islands is the fact that off-shore oil fields or natural gas fields may possibly exist near the Nansha Islands. And the reason why all the East Asian nations are concerned with the security of this sea area lies in the fact that these islands are located in the central part of the South China Sea, which is known as the "inland sea" of Asia. As far as Japan is concerned, it is an important sea route for importing such major materials as crude oil from the Middle East.

Through Indonesia's mediation, China and other concerned nations have held talks on measures to jointly develop various islands in the South China Sea (with the Xisha [Paracels] and other islands included) while shelving the issue on territorial rights. In this connection, the Chinese moves are all the more unexpected and must have imposed all the greater impact on neighboring nations.

China has always been regarded by various Southeast Asian nations as a major potential menace. Historically, China has been commonly acknowledged as leader of this region, and what is also noteworthy is the existence of Overseas Chinese. As is known to all, since the founding of the Communist regime, China has attempted to make the Communist force infiltrate various Southeast Asian nations.

In particular, the hostility between China and Vietnam has a long history. In recent times, following the Sino-Vietnamese war, diplomatic relations between the two nations were cut off for almost 13 years, and it was only last November that they reached a reconciliation. Therefore, it is requested that under such circumstances, China use greater prudence in dealing with its neighboring nations.

Another point is the fact that there are very few forums for dialogue on regional security in Asia. Such factors as Asia's multiformity and complicatedly intricate interests have resulted in the fact that no progress has been made in this concern. The time has now come to give more serious consideration to the possibility of promoting dialogue.

The foreign ministerial conference of the ASEAN nations as well as the expanded foreign ministerial conference with participation of foreign ministers from non-ASEAN nations will be held in Manila next week; these conferences should be used as forums for dialogue.

Following the Gulf war, Asian nations focused on the armament race. Unless efforts are made with greater awareness, it will become all the more difficult to make efforts to build confidence. As for Japan, we should not be fascinated by economic matters alone.

Japan

New Competitiveness Seen in U.S. Auto Industry

OW2107004292 Tokyo NIHON KEIZAI SHIMBUN in Japanese 15 Jul 92 Morning Edition p 11—FOR OFFICIAL USE ONLY

[Article by reporter Osamu Kobayashi: "Big Three Regain Self-Confidence—Rationalization Through Personnel Realignment, Setting Up a Cooperative Structure With Government"—seventh in series entitled "Reexamining Japan-U.S. Competitiveness"]

[Text] Chrysler Corporation has set up Brimary Factory of Canada [name as published] to produce the "LH Car"—a new medium-sized car viewed with high expectation. Chairman Lee Iacocca, who went to the factory to witness the start of production on 30 June, was asked by the press corps to comment on the ruling by the U.S. International Trade Commission (ITC) a few days previously to the effect that Japan had "not violated the Antidumping Law" in the sale of minivans on the U.S. market.

Chairman Iacocca Being Calm Toward the Ruling

Chairman Iacocca was the mastermind behind the idea of persuading General Motors Corporation (GM) and Ford Motor Company to jointly institute a lawsuit against Japanese automakers on dumping charges. He replied calmly, saying, "Things do not always go as expected."

Last spring, Chairman Iacocca wrote a letter to President Bush strongly requesting controls on the import of Japanese cars, including those produced in the United States, saying, "If the issue of Japanese cars is left to take its own course as it is, Chrysler will collapse, nor will anybody even know about Ford Motors Co."

II

Even after returning home after accompanying President Bush to Japan at the beginning of the year, Chairman Iacocca made strong anti-Japanese speeches in Detroit, his hometown. The chairman's display of calmness in his recent remarks can be seen as an expression of the restoration of self-confidence on the part of the U.S. side.

The background to this, to be sure, is the rollback operation of U.S. cars. In addition to the shift in demand in the U.S. market toward small trucks, in which the United States takes pride, the gap between U.S. and Japanese cars has narrowed in terms of quality. The Big Three have improved their market share each month since March this year and their record of performance surpasses that of last year.

The market share for the first six months of this year was 72.4 percent, up 1.5 percentage points compared with the same period last year. Defiant voices were raised (by President R.A. Lutz) that, "from now on, we are going to win back the market share that was snatched by Japanese cars at 1 to 2 percentage points each year."

What we should pay attention to is the fact that the United States has started to regain its superiority over Japan even in terms of medium- and long-range strategies.

The first is the formation of a structure of cooperation between the government and industrial circles. While President Bush and Chairman Iacocca's visit to Japan has been criticized both at home and abroad, results unprecedented in the history of the U.S. auto industry have been achieved on the "establishment of a cooperative relationship between the government and our auto industry" (according to Chairman Harold Poling of Ford Motor Co.),

As evidence, joint research projects conducted by the Big Three and relevant manufacturers in the field of basic technology have been successively realized with government assistance. The Department of Commerce has contributed funds to some of these projects. In June, the U.S. Council for Research on Auto Technology [name as published] was inaugurated to study topics such as environment and security.

On the other hand, Japan lacks cooperation in auto industrial circles, and the Ministry of International Trade and Industry [MITI] has been charged with the responsibility of working out measures to deal with trade friction. Japan is in a situation in which it is difficult for both the government and the people to jointly form a vision of the future.

U.S. Capability Enhanced in Mexico

Other evidence of this cooperation can be seen in rationalization. Under pressure from major shareholders and dummy directors to promote rationalization, GM has gone into renovation even to the point of undergoing a top personnel reshuffle. With this as an impetus, there have been increasing campaigns at each company calling for cost reductions. Mr. Lopez, who has displayed uncommon shrewdness in reducing costs for parts at a corporation in Europe, was selected to be the vice president in charge of purchasing car bodies. Mr. Lopez called together suppliers and announced, "We have to purchase parts from the cheapest sources, including those produced by the companies ourselves." This has become the symbol of transformation for GM.

The Economic Strategy Research Center, a think tank in Washington, announced a report some time ago to the effect that "the production costs of Ford and Chrysler have fallen below those of Japanese enterprises such as Toyota Motor Corporation. Opinions are still divided whether there is really a reversal in the situation. However, it is certain that the myth of Japanese enterprises achieving low production costs is falling to pieces."

The North American Free Trade Area (NAFTA) agreement, which is close to being signed, also works favorably for the United States. Apart from cheap labor, for example, Mexico offers labor with good qualtiy. The production cost for one small car is said to be lower than that in the United States by $1,000. As against factory shutdowns and personnel reductions within the United States, the Big Three are enhancing their capabilities in Mexico and U.S. magazines have gone so far as to name Mexico "Detroit of the South."

Riding on Favorable Wind of High Stock Prices

Mexico Nissan President Shoichi Amamiya of Nissan Motor Co., the only Japanese company which has advanced into Mexico, made the judgment that "if the Big Three restructures the auto industry, including making inroads into Mexico, the Japanese automakers will be faced with a great threat."

The Big Three have been favored with the good fortune of low interest rates and high stock prices at the moment. With the U.S. official discount rate at 3 percent—which is at its lowest level for 29 years, GM has increased its capital in the aggregate of $2.1 billion, a record high in the history of U.S enterprises, at a time when stock prices are high. This is in striking contrast to Japanese enterprises, which are being plagued by difficulties in raising funds with the collapse of the bubble economy.

At the end of June, Ford Motor Company indirectly extended aid to Mazda Motor Corp. by contributing to half of the capital of its U.S. production subsidiary and reorganizing it into a joint-venture company. GM is trying to render support to the reconstruction of Isuzu Motors Ltd. by increasing purchase of its engines and auto parts.

Nevertheless, it is still difficult to say that the Big Three have entirely revived their fortunes. Their level of earnings falls far short of what it was at its peak, and the cycle for developing new cars is also lagging behind Japanese automakers. However, the concept of "Japan being strong and the United States being weak," as displayed at the time of President Bush's visit to Japan at the beginning of the year, has definitely vanished into thin air.

III

Toyota To Raise Staff at U.S. Technical Center

OW2007144692 Tokyo NIHON KEIZAI SHIMBUN in Japanese 17 Jul 92 Morning Edition p 10—FOR OFFICIAL USE ONLY

[Text] Toyota Motor Corp. plans to increase the number of staff members at the Toyota Technical Center USA (headquartered in Gardenia, California), its research and development base in the United States, from the current 300 to more than 500 by 1994. Toyota intends to gradually increase American staff members who have experience in technical service.

The company has adopted a policy of locally developing passenger cars designed for the U.S. market. In addition, it has promoted the expansion in both percentage and number of local procurement of auto parts to be used at its local plants. Therefore, the company urgently needs to improve its evaluation and experiment capabilities. Toyota intends to reinforce a comprehensive system by increasing the number of staff members in addition to expanding the facilities it has already started to build.

Also, Toyota announced on 16 July that it has already started a research and development project on advanced safety vehicles (ASV) capable of avoiding auto accidents. The theme of the research project is "to avoid every imaginable danger that can happen during the course of driving" and to develop safety devices that use electronic technology. In concrete terms, these devices include a computer warning system capable of preventing the driver from dozing, a laser system capable of avoiding collisions, and a communications system capable of immediately reporting accidents to local fire and police authorities.

Article Views Ailing Semiconductor Industry

OW0807090292 Tokyo SHUKAN DAIYAMONDO in Japanese 20 Jun 92 pp 4-8—FOR OFFICIAL USE ONLY

[Article from the "Daiyamondo Report" column by SHUKAN DAIYAMONDO's Editorial Board: "Japanese Semiconductors Will Be Beaten by the United States—Puzzling Refusal To Use Technology That Can Trim Enormous Investments to One-Tenth"; based on a report given by Tohoku University Professor Tadahiro Omi at the "ISSMT (expansion not given) '92"]

[Text] **The Heavy Burden of Enormous Investments**

"By the year 2005, there will be a reversal in gross sales and capital investment in semiconductors. The semiconductor industry, which will require more capital investment than its sales volume, can no longer be called an industry." Most readers would probably say "nonsense!" to the above statement.

Nevertheless, the ratio of capital investment and the cost of research and development with respect to semiconductor sales volume has indeed reached 40 percent. This is steadily putting a great amount of stress on semiconductor manufacturers' financial foundation. In particular, the development of advanced technology for DRAM (dynamic random access memory—read-and-write memory requiring battery backup to retain data), which takes up the largest part of capital investment and research and development funds, is indeed expensive.

As shown in Graph 1, by 2001, when the memory capacity of one DRAM goes up to 1 gigabit, it will require 1.5 trillion yen to build a plant producing 3 million DRAM's a month.

Even NEC Corp., which is the world's number-one producer of semiconductors, has a sales volume of only 3 trillion yen. If the construction of a semiconductor plant costs 1.5 trillion yen, there is no way manufacturers can make ends meet. This will be even more impossible for the second-tier makers.

As it is becoming clear that capital investment will involve enormous amounts of money, the major manufacturers are actively formulating tie-up strategies. Hitachi is joining hands with TI (Texas Instruments), and Toshiba with Motorola.

However, it will still be impossible to pay for such enormous investments only with a tie-up strategy. A technological breakthrough is also absolutely necessary. Now is the time to review the entire basic production process.

Threat From Technicians; Compliance of Business Owners

At least the vice president-level executives of the top 10 or so Japanese semiconductor manufacturers are aware of the risk of the enormous investments. Inside their companies, they have consistently asked the question: "Is there any way to cut capital investment?"

The reply coming from technical personnel, however, has been a "threat": "If you do that, we cannot be responsible for the consequences." Even if the technicians did not intend to threaten, this statement amounts to a threat.

In the semiconductor business, an enormous return is the reward for the high risk. In the past, Toshiba made more than half of its operational profits of 150 billion yen with DRAM alone.

While they are actually worried about overly expensive capital investment, business owners who had seen Toshiba's great success have not been able to refuse the technicians' demands. In turn, capital investment has continued to swell.

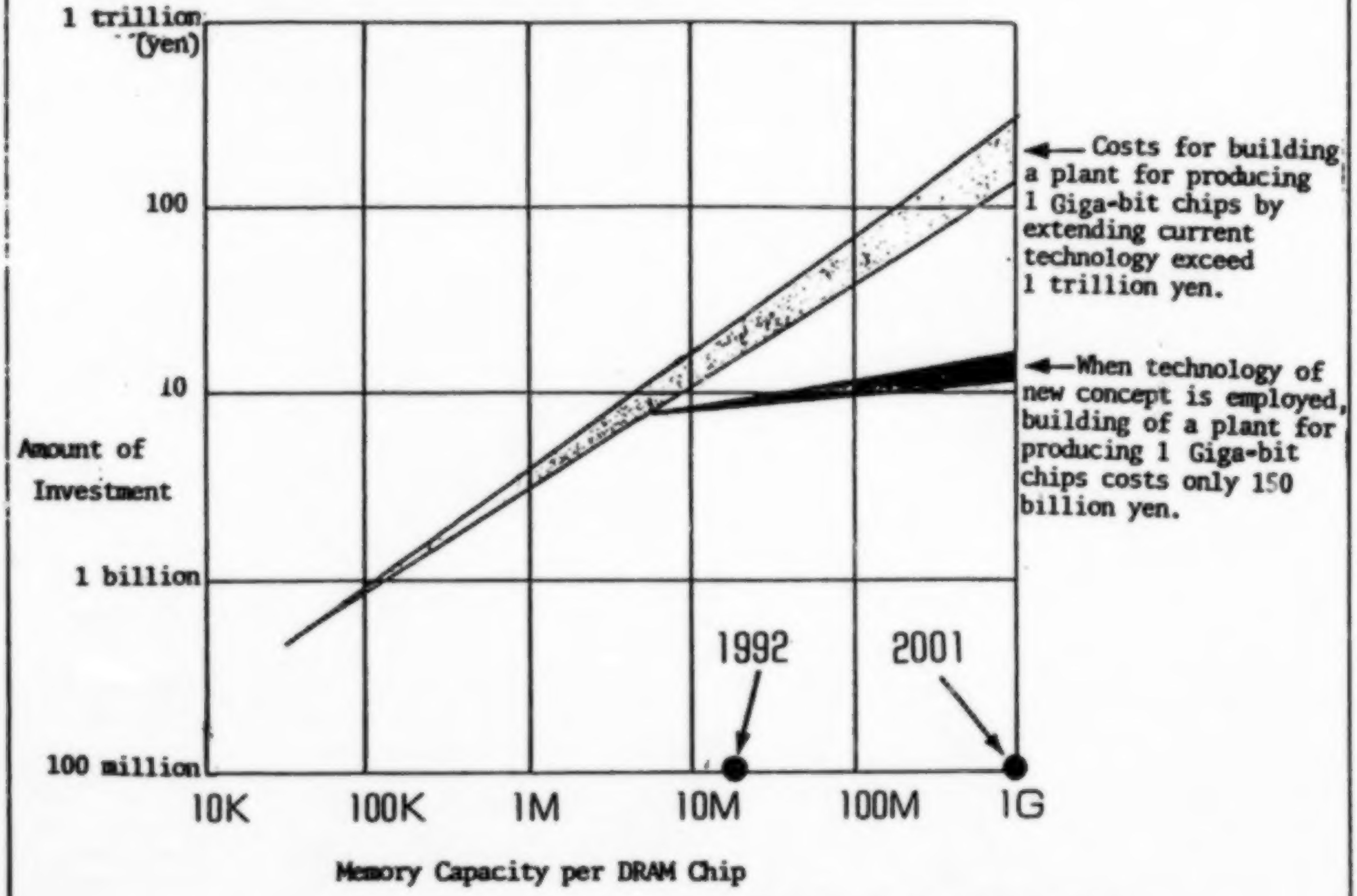
In the past few years, NEC, Toshiba, and Hitachi have been investing more than 100 billion yen a year. Since there was an abundant source of funds through equity finance (issuing new stocks for fund procurement) during the stock market boom, business owners were not hesitant to invest.

Today, however, following the bursting of the bubble economy, business owners can no longer keep silent. They have cut capital investment in semiconductor divisions drastically this year, and they have started to take steps to deal with the depression. The period when they had money to burn has ended.

With no funds, the only thing to do is to think of inexpensive methods. In fact, there is a way to build a semiconductor plant at about one-tenth the present construction

Graph 1 Semiconductor Makers Suffering From Heavy Burden of Huge Investment Costs

-- Costs for Building Plant with Monthly Output of 3 Million DRAMs --



← Costs for building a plant for producing 1 Giga-bit chips by extending current technology exceed 1 trillion yen.

←When technology of new concept is employed, building of a plant for producing 1 Giga-bit chips costs only 150 billion yen.

Source: Mitsubishi Electric Corp.

cost. What would have cost 1 trillion yen using current technology can be done for only a little more than 100 billion yen.

This way, there need not be any change in the present capital investment level. In the following paragraphs we will present a method that can be considered good tidings for semiconductor manufacturers. This method has been proven by Tohoku University in the experimental stage, and it involves procedures which are technically feasible.

Expensive Made-to-Order Equipment

Graph 2 shows the three major causes of expensive capital investment in semiconductors: 1) production equipment for semiconductors is overly expensive; 2) yield rate [ratio of finished product to raw material used] is too low; and 3) device structure is too complicated.

In particular, the first cause—the high cost of semiconductor production equipment—represents the major bottleneck. In fact, the greater part of capital investment for semiconductors is in production equipment. The physical structure of the plants and clean rooms represent no more than 10 percent of the overall investment.

Why, then, is production equipment so expensive? In short, the reason is that each manufacturer and each plant uses "made-to-order" equipment that has unique specifications. For instance, there are an astonishing 3,500 varieties of pressure regulators used for conveying gas.

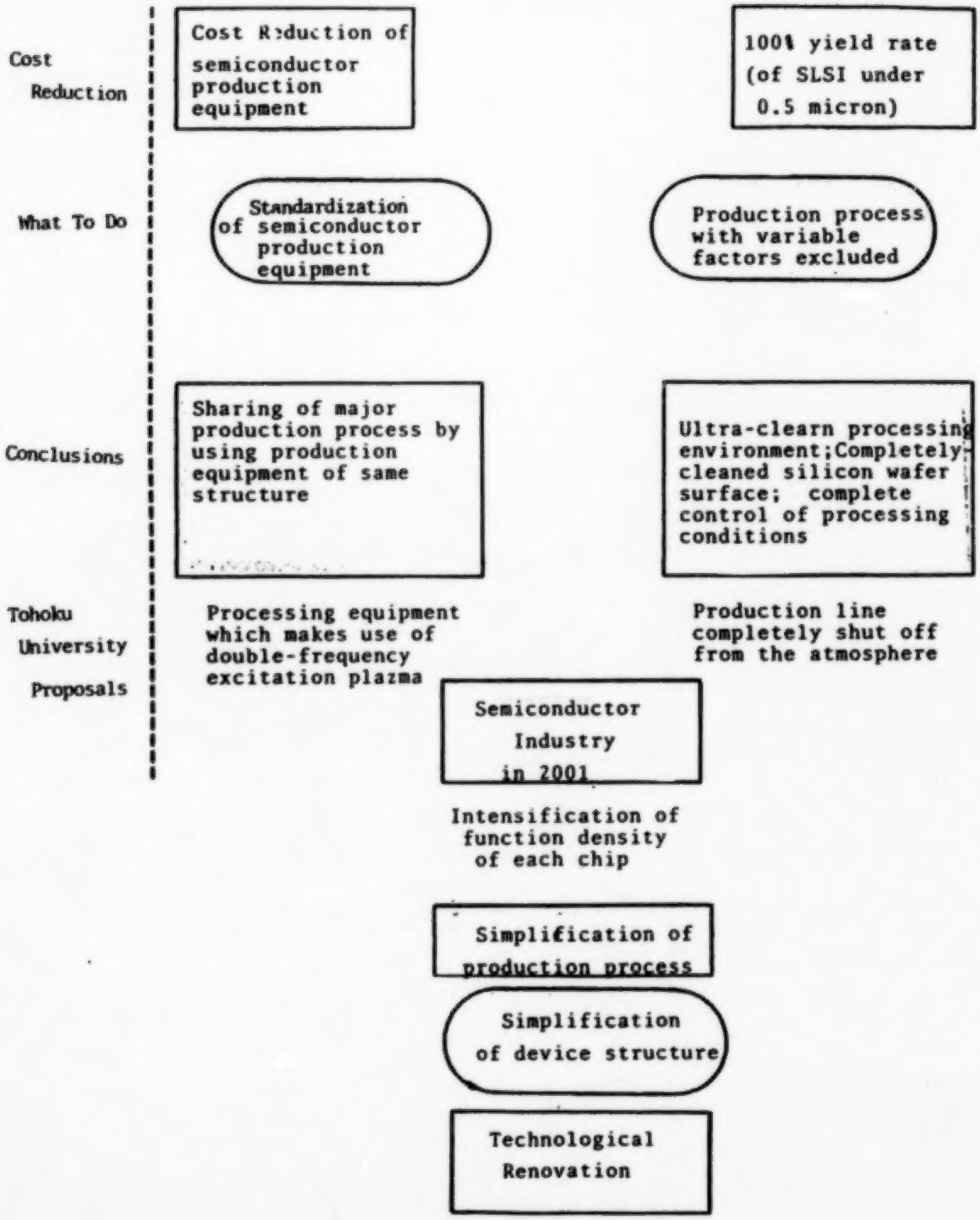
During the semiconductor industry's pioneering days, suppliers of production equipment had insufficient expertise. They had to follow the orders of the semiconductor manufacturers for the specifications.

On the other hand, semiconductor makers were also at a groping stage. They placed orders based on the technicians' experience or intuition. In other words, the technicians' "own style" was the deciding factor when placing orders. Therefore, as many varieties of equipment as the number of technicians were produced.

However, for the equipment makers, it would, of course, be more cost-effective to mass-produce equipment with uniform specifications. In lieu of improving efficiency, all they can do is raise prices to remain profitable. That is why production equipment is expensive.

Graph 2 Measures for Building Semiconductor Plant at One-Tenth of Costs

-- Three Points Suggested by Omi Research Group of Tohoku University --


Cost Reduction
Cost Reduction of semiconductor production equipment
100% yield rate (of SLSI under 0.5 micron)
What To Do
Standardization of semiconductor production equipment
Production process with variable factors excluded
Conclusions
Sharing of major production process by using production equipment of same structure
Ultra-clearn processin environment;Completely cleaned silicon wafer surface; complete control of processing conditions
Tohoku University Proposals
Processing equipment which makes use of double-frequency excitation plazma
Production line completely shut off from the atmosphere
Semiconductor Industry in 2001
Intensification of function density of each chip
Simplification of production process
Simplification of device structure
Technological Renovation

In other words, from the standpoint of the semiconductor makers, if they achieve the standardization of production equipment, their purchase price for equipment will be reduced significantly. Not only this, but they will be able to achieve even more revolutionary cost savings.

We will now go into more technical matters. There are five production processes which come before the processing of silicon wafers, namely: etching, resist removing and cleaning, dry cleaning, CVD [chemical vapor deposition], and sputtering.

All five processes use different equipment, and, by the early 21st century, the cost of one unit of such equipment could easily exceed 300 million yen.

However, if the double-frequency excitation method presently being developed at Tohoku University is used, the five processes can be performed by equipment with identical structure by only changing the kind of gas and frequency. Thus, the cost for one unit of equipment can be reduced to about a fifth, or to about 70 million yen.

Poor Yield Rate Is Also a Bottleneck

Regarding the second cause, poor yield rate, there is still much room for improvement. The yield rate for DRAM was shockingly low when production first started. Sometimes only 20 to 30 percent of the chips in one silicon wafer were useful.

Why such a poor yield rate? Because of the foreign bodies adhering to the surface of the silicon wafers. Semiconductors are super-precision components requiring minute processing technology. Even dust the size of one-hundredth of the diameter of human hair is unacceptable.

Therefore, clean rooms were created to provide a dustless environment. However, that is not enough, because it cannot shut out such impurities as atmospheric air and moisture.

Moisture is a great enemy to silicon wafers. Even oxygen can cause the formation of a natural oxide film on the surface of the wafers. Therefore, by creating a "production line shutting off the atmosphere," impurities can be completely shut out, the reproductivity of the production process can be significantly upgraded, and the improvement and stabilization of yield rate can be achieved.

Instead of atmospheric air, nitrogen can be used. Nitrogen is inexpensive and versatile. The use of nitrogen at the points of the production process where contact with the surface of the wafers is necessary is our second suggestion.

Lastly, concerning the third cause, the complicated device structure. The answer to this is quite simple. That is, the "simplification of the device structure."

Device structure actually becomes more complicated with the degree of integration. When the device structure becomes complicated, the production process becomes longer and the number of units of equipment increases. Thus, this contributes to added cost.

However, there are ways to produce devices with uncomplicated structures which function excellently. For example, by merely substituting substances with high permittivity (substances that are highly dielectric) for current semiconductor materials, it will be possible to simplify device structure.

"One's Own Style" Will Not Work

Considering only the above, the cost for semiconductor plants, which have been cynically called "money-eaters," can be reduced to a tenth. Furthermore, technically, there are no difficult steps. If you think about it, you will agree that this is quite easy to understand.

Therefore, whether this can be implemented depends on the attitude of the technicians. However, since they have so far managed in their own style, whether in the question of production equipment or semiconductor material, they will not be willing to change their ways.

Yet, times have changed. In the ultimate domain of the minute processing technology of 1G [giga] DRAM, "one's own style" will no longer work in terms of cost. The business owners already have a very strong sense of crisis.

In the past, semiconductor production equipment was not delivered in final form. It was usually custom-made as finished product based on past orders of each semiconductor maker.

However, it will be much more efficient and profitable for the equipment makers to produce standardized equipment. We suggest that equipment makers come up with two or three standard versions of a piece of equipment and ask the semiconductor makers to choose from them.

Managers of semiconductor makers—the customers of the equipment makers—have supported this suggestion wholeheartedly. By ticking off an order form, they can cut equipment cost significantly.

If they opt for extra specifications, the price will jump two or three times. This, of course, will be a restraint on the technicians' "own style" and be a source of pain on their part.

Forget Minor Differences for the Common Goal

However, this is not a time when the individual wishes of the technicians can be entertained. If we do not begin to work for the interchangeability and standardization of equipment as soon as possible, the Japanese semiconductor industry will certainly be beaten by the United States within the 1990's.

Japanese industry, which conquered the world semiconductor market in the 1980's, defeating Texas Instruments, Motorola, National Semiconductor, and other U.S. makers, is facing its greatest crisis.

So far, semiconductor products of U.S. makers have been made in the same clean rooms, with the same equipment, and on the same production lines as the Japanese makers, with a much lower yield rate. This was because there was a great disparity in the raw materials used, such as gas, water, and chemicals. However, in the past five years, U.S. makers have accumulated research findings in these areas little by little and are fast approaching the level of the Japanese.

Such research findings were available in manuals and research papers open to the public. Anyone would have been able to profit from them. Yet, the Japanese makers were very poor at accumulating knowledge.

On the other hand, united fronts across corporate boundaries are being formed extensively in the United States. Sematech (a semiconductor technology group formed by the U.S. Government and the private sector with the aim of developing the next-generation semiconductors to compete with Japan) has achieved remarkable results in this area.

Even as far as the earlier-mentioned methodology for reducing the huge investments is concerned, U.S. enterprises have much more interest in it than Japanese enterprises do. Japan must not take a backseat in this area. We must urgently standardize the systems—with industry, government, and academic circles cooperating.

The standardization and interchangeability of manufacturing systems may be something that is difficult for engineers to swallow. But the key to continued growth for Japan's semiconductor industry lies in the discarding of such "minor differences" for our best "common goal."

Editorial Rates Working-Level Talks With Russia

OW1807080092 Tokyo ASAHI SHIMBUN in Japanese 17 Jul 92 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Editorial: "Russo-Japanese Talks Ended Without Tangible Results"]

[Text] At a seminar on Russo-Japanese relations held in Tokyo in April, Russian Vice Foreign Minister Kunadze said in fluent Japanese: "There exists a growing understanding that there is only one way to improve Russo-Japanese relations, and that way is to conclude a peace treaty between Japan and Russia after resolving the territorial issue. I believe that the two countries can do this."

About four months later, Russo-Japanese working-level talks were held in Tokyo, and, as anticipated, the talks failed to make any headway in resolving the territorial issue. Mr. Kunadze himself, the chief of the Russian delegation, frequently stressed the grim domestic political situation surrounding the territorial issue and that Russian public opinion opposed the return of the northern territories to Japan.

It appears that the two countries need to hold extensive negotiations to settle the territorial issue. As a result, any expectations that President Yeltsin's planned visit to Japan in September will set the stage for the two countries to move immediately toward resolving the territorial issue may only fuel disappointment and distrust in Russia. Prime Minister Miyazawa once said that "now is an opportune time for the settlement of the territorial issue." The prime minister, however, later changed his view on the territorial issue, saying "it is not easy to resolve the territorial issue." He made a wise choice in changing his view on the matter.

The working-level talks that were held for the first time since the Political Declaration was released at the Munich summit stressed the importance of resolving the territorial issue between Japan and Russia.

With respect to the Political Declaration, the Russian side did not react strongly against the declaration at the latest working-level talks, but the Japanese side had to recognize that the declaration did not put any pressure on Russia. The Japanese side at the working-level talks is believed to have recognized the need to avoid unnecessarily inciting the Russian public.

Regarding the leading seven industrial nations' confirmation of the need to resolve the territorial issue between Japan and Russia, the Russian side recognized that the "northern territories issue is a remnant of the old era" and that the territorial issue needs to be resolved to build a "new world order." We hope that this recognition by the Russian side will lead to a ray of hope for the resolution of the territorial issue.

In a new world order, Russia should carry out "diplomacy based on the principle of law and justice" in order that is greeted by the international community as a democratic state. Under the new international order, Japan and Russia should serve the stability of the Asia-Pacific region after completely normalizing their relations.

How to proceed in negotiations on the northern territories issue is, in the end, a bilateral issue between Japan and Russia. Needless to say, however, the resolution of this issue will have a great impact not only on relations between the two countries but on building a new world order.

The territorial issue should be resolved at an early date. Although the Russian side is aware of the need to resolve the issue, it appears to be facing a situation in which it is hard to build a public consensus on the need to resolve the issue. Deputies are pressuring the president to oppose the return of northern territories to Japan. Also, the governor of Sakhalin Oblast, which has administrative jurisdiction over the northern territories, has declared that he will not attend any talks on the return of the northern territories to Japan. In this way, a series of moves is being made in Russia against the return of the northern territories to Japan.

It will be difficult for the Yeltsin government, which relies heavily on public opinion, to lobby the public for the return of the territories to Japan, because such lobbying could incite dissident political forces.

Nevertheless, Japan should not react hastily and claim that the Russians are liars. Japan should deal with the territorial issue with great cautiousness.

We want to say something to the Russian side. Japan feels a sense of resistance to embarking on bold bilateral economic cooperation with Russia while leaving the territorial issue as it is. Frankly, this is a feeling that the Japanese people harbor.

The president should indicate clearly and specifically how he intends to grapple with the territorial issue when he visits Japan.

It would be unfortunate both for Japan and Russia if their relations indefinitely remain under the influence of the cold

VIII

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East Asia

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Tuesday
21 July 1992

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PRC Favors 'Postponing' Spratlys Issue

HK2107055492 Manila THE CHRONICLE in English 21 Jul 92 p 1

[By Johanna Son]

[Text] China favors the "joint exploitation" of the South China Sea while "postponing" the question of sovereignty over the Spratlys, even as Asean officials consider a statement urging "self-restraint" among claimants and a "code of international behavior" in the area.

Chinese Foreign Minister Qian Qichen conveyed Beijing's position yesterday to Foreign Secretary Raul Manglapus. He is here to represent a partner country of the Association of Southeast Asian Nations (Asean), whose foreign ministers are meeting at the Philippine International Convention Center beginning today.

After one-and-a-half hours of talks, Manglapus said: "They (Chinese) categorically stated that they're in favor of exploring ways of joint exploitation of the resources, postponing the issue of sovereignty and jurisdiction until we are able to find a way of resolving that."

Meeting reporters later, Qian stressed that China believed the Spratlys' dispute could be solved by "peaceful negotiations" and assured that Beijing "has no intention of filling up" the security vacuum in the Asia-Pacific after the reduction of US military presence.

Qian did not commit his country to a definite schedule of negotiations on the Spratlys. He said: "When conditions are right, we can start our negotiations. When conditions are not right, we can shelve them."

At the same time, Ambassador Romualdo Ong, the Philippines' spokesman at the Asean meeting, said Asean governments saw no need for a common military force to counteract any conflict in the region.

"There is no single major threat to regional peace and so there is no urgency for the Asean to form a common military bond... there is no cause for alarm so there is no stampede for a formal alignment," said Ong.

He noted that Asean was convinced that a peaceful solution could be found to the Spratly problem and also that Japan's pacifist policy would remain despite the stir caused by its decision to send peacekeeping forces to Cambodia.

China's statements were a reitertion of the stand expressed by Premier Li Peng in 1988 and the "principles agreed upon in a series of informal security conferences on the South China Sea sponsored by Indonesia—the territorial disputes should be settled through dialogue."

Qian's statement indicated that China was not closing the door on negotiations toward joint cooperation, although it was not backing down on its claim to the Spratlys, and no specific schedules of undertakings and mechanisms for cooperation were discussed yesterday.

A senior foreign affairs official observed that Qian's remarks reflected no substantial improvement on his country's position. Joint exploitation, he said, "is the minimum position. That's (already) the lowest common denominator."

He pointed out that China's agreement to joint exploitation was not a major pronouncement, because "China was present" at the Indonesia meetings and therefore had already agreed to those principles.

Significantly, China and Vietnam—the two countries that clashed in 1988 in the Spratlys—are to have a bilateral meeting between their foreign ministers Wednesday, using the Asean meeting as a chance for dialogue.

Vietnam has protested China's hiring of an American firm to explore for oil in the Spratlys, and Beijing reportedly responded by offering talks on a "technical level."

A draft of Asean foreign ministers' communique—whose reference to territorial disputes in the South China Sea would at least mention the issue at the formal level—stresses that they "should be resolved by peaceful means, without resort to force."

The draft, to be issued at the end of the foreign ministers' meeting, states that foreign ministers "urged all parties to exercise self-restraint with a view to creating a positive climate for the resolution of these disputes."

The document—which refers not to the Spratlys specially but to the South China Sea—also urged "all parties concerned" to use the principles in the Asean-led Treaty of Amity and Cooperation in Southeast Asia as a basis for establishing a "code of international behavior" in the area.

Manglapus, who said the talks with the Chinese had dwelt merely on "principles," explained that while the Spratlys dispute would not be finally settled, "economic activities that we want to see take place" could occur despite the fact that six countires claimed the Spratlys.

Manglapus said he conceded, though, that the Chinese and Filipino officials not discuss the mechanism for joint cooperation, a proposal for United Nations' intervention and whether Beijing preferred to approach the Spratlys as an Asean matter or bilaterally with claimant countries.

Asked if China's hiring of a US firm to explore for oil did not hinder the prospect of joint cooperation or impinge on the sovereignty question, Manglapus said: "No, in the same way that we don't think our presence in the Kalayaan Islands is a hindrance to any talks on a peaceful solution."

Malaysia Supports Philippine Position on Spratlys

HK2107042992 Manila Far East Broadcasting Company in Tagalog 0100 GMT 21 Jul 92

[Text] Malaysian Foreign Minister Abdullah bin Haji Ahmad Badawi sided yesterday with the Philippines' proposal to set aside the issue of sovereignity over the

Spratly Islands and instead move for the joint development of the islands by all the countries laying claim to them.

Foreign Secretary Raul Manglapus made the proposal as a temporary solution to the conflict between the six nations staking their claim to the Spratlys.

Badawi said the Philippines proposal would be a good beginning to talks on the issue.

Badawi is in Manila to attend the 25th ASEAN anniversary celebration and the ASEAN ministerial meeting slated this week. The ministerial meeting is set to discuss the strengthening of regional security.

Earlier, China had expressed willingness to join in a joint exploration of the islands; however, it still insists on its sovereignity over the islands.

Japan, ASEAN To Cooperate in Rebuilding Cambodia

OW2107091992 Tokyo KYODO in English 0854 GMT 21 Jul 92

[Text] Tokyo, July 21 KYODO—Japan will stress cooperation with the Association of Southeast Asian Nations (ASEAN) to rebuild Cambodia, Foreign Ministry officials said Tuesday.

Officials said parliamentary Vice Foreign Minister Koji Kakizawa will promote such cooperation, in which Japanese financial and technological power will be teamed with the expertise of the ASEAN countries in rebuilding Cambodia.

Kakizawa, who left for Manila on Monday, is representing Japan at the July 23-26 ASEAN post-ministerial conference in place of Foreign Minister Michio Watanabe, who is recuperating from a recent gallstone operation.

Thai Prime Minister Anan Panyarachun, in a Tokyo visit last year, proposed that Japan join what he called trilateral cooperation on Cambodia. Prime Minister Kiichi Miyazawa agreed that Thailand be the hub for international efforts to rebuild Cambodia.

But officials, speaking on condition of anonymity, said Japan must work in Manila to avoid giving the impression it is favoring one ASEAN country over another in its cooperation efforts.

Officials said Kakizawa will meet with the six ASEAN foreign ministers as a group and also will talk separately with the foreign ministers of Thailand, Indonesia, the Philippines, Australia, and New Zealand.

They said attempts are being made to schedule bilateral talks with the foreign ministers of South Korea and Vietnam.

Officials said prospects for talks with U.S. Secretary of State James Baker are dim, while talks with the foreign ministers of China and Russia are highly unlikely.

They said Kakizawa will take the opportunity in Manila to reassure Japan's security-conscious neighbors that its intentions are strictly peaceful in the planned dispatch of Self-Defense Forces (SDF) to participate in United Nations peacekeeping operations.

Foreign Ministry Spokesman Masamichi Hanabusa told foreign correspondents he expects SDF troops to go to Cambodia this year, as Miyazawa suggested during his recent visit to the United States.

Hanabusa said the present refusal of the Khmer Rouge guerrillas in Cambodia to regroup in U.N.-supervised cantonments to disarm does not present a legal obstacle to the SDF dispatch.

Officials said another issue Kakizawa intends to emphasize at the post-ministerial conference, which follows talks among the ASEAN countries themselves, is the importance of regional "political dialogue."

They said such dialogue, including talks on security, is important for the Asia-Pacific region since there is no effective consultative forum here like the Conference on Security and Cooperation in Europe.

At last year's post-ministerial conference in Kuala Lumpur, then Foreign Minister Taro Nakayama proposed adding "a forum for political dialogue" to the regional economic, diplomatic, and security mechanisms and frameworks that are already in place.

He suggested that Asian concerns and apprehensions about the future direction of Japanese foreign policy would be "a worthy topic" for political dialogue in such a forum.

Japan

Tokyo 'Cool' to ICJ's Judging Kurils Issue

OW2107112192 Tokyo KYODO in English 1104 GMT 21 Jul 92

[Text] Tokyo, July 21 KYODO—Japan is cool to the idea of its territorial dispute with Russia being placed before the International Court of Justice [ICJ], a Foreign Ministry spokesman indicated Tuesday.

Spokesman Masamichi Hanabusa reacted defensively when queried on the court prospect, saying, "No one has ever suggested (the) idea and I cannot answer a hypothetical question."

"Our position is very clear—that (the four disputed islands) have never belonged to any other country," he said.

Other ministry officials confirmed that Japan is resolutely opposed to the idea. They said Tokyo deems international arbitration on the bilateral dispute unnecessary and that decisions passed by the so-called World Court in the Hague, Netherlands, would in any case be nonbinding.

Russian Foreign Ministry Spokesman Sergey Yastrzhembsky said in late May that if the two countries fail to agree on the disposition of the islands, the matter could be brought before the World Court.

Russia has held the islands of Etorofu, Kunashiri, Shikotan, and the Habomai group of islets since they were seized by the Soviet Red Army at the end of World War II. Japan is demanding their return as a precondition for conclusion of a peace treaty and full-scale economic assistance.

Russian officials have strongly indicated that if a peace treaty is concluded, Moscow would consider giving Japan Shikotan and the Habomais in accordance with a 1956 pledge.

More problematic is the question of Kunashiri and Etorofu, which Japan asserts are not included in the Kuril Islands group relinquished by Japan at a 1951 San Francisco Peace Treaty Conference.

Konstantin Sarkisov, a leading authority on Russo-Japanese relations with the Moscow-based Institute of Oriental Studies proposed that the issue surrounding the smaller islands be referred to the World Court.

Tokyo-based academic Gregory Clark recently wrote in THE INTERNATIONAL HERALD TRIBUNE that the Japanese Foreign Ministry has turned down similar suggestions from Japanese scholars.

Clark said the Foreign Ministry is "embarrassed" because international lawyers could come up with "very interesting results" in a World Court case. He mentioned an October 1951 statement made by ministry officials before the Diet that Etorofu and Kunashiri are part of the Kuril Islands renounced at the San Francisco Conference.

Tokyo To Produce Video on Northern Territories

OW2107113192 Tokyo KYODO in English 1050 GMT 21 Jul 92

[Text] Tokyo, July 21 KYODO—The Foreign Ministry has produced a video aimed at building understanding among the Russian people about a bilateral territorial dispute, a Foreign Ministry spokesman said Tuesday.

Spokesman Masamichi Hanabusa said the Russian-language video lays out the history of the contested islands from Japan's viewpoint.

He said it supplements a previously published Russian-language booklet on the islands, known as the northern territories.

After the Japanese Embassy in Moscow released thousands of the booklets in late April, it received anonymous threats and demands that distribution immediately cease.

Hanabusa said the 35-minute video will be available for viewing at Japanese diplomatic missions and will be distributed to four Russian television stations.

He said Japan hopes the video, which includes interviews with Japanese who were evicted from the islands by the former Soviet Union, will reach as many of the 150 million Russians as possible.

The Soviet Union seized the islands north of Hokkaido at the end of World War II and Japan demands them back as a condition for a peace treaty and full economic assistance for Russia's reforms.

Russia Offered Radioactivity Detecting System

OW2007161592 Tokyo KYODO in English 1447 GMT 20 Jul 92

[Text] Tokyo, July 20 KYODO—The science and technology agency said Monday it has decided to offer its newly developed radioactivity-detecting system to Russia to prevent fatal accidents at nuclear power plants.

The agency plans to equip one of Russia's 15 nuclear power plants regarded as dangerous with the new system, which sets off alarm signals when it detects radioactivity in leakages, the agency officials said.

The agency agreed with the Russian Nuclear Ministry recently to cooperate in the improvement of safety measures for nuclear power generation in Russia.

The agency has already started determining the budget and schedule for the delivery of the system, the officials said.

If the system is effective, other nuclear power plants in Russia will be equipped with it, the officials said.

The new system was developed by Power Reactor and Nuclear Fuel Development Corp. and has already been used at the new "Fugen" converter reactor in Fukui Prefecture, in central Japan facing the Japan Sea.

Tokyo To Design Plutonium-Fired Power Reactor

OW2107012892 Tokyo KYODO in English 0043 GMT 21 Jul 92

[Text] Tokyo, July 21 KYODO—Japan plans to design a plutonium-fired power reactor to generate electricity from plutonium gained through dismantling of nuclear arsenals in the former Soviet republics, the YOMIURI SHIMBUN reported Tuesday.

Japan's largest daily reported that the Science and Technology Agency and the government-run Nuclear Reactor and Nuclear Fuel Development Corp. will undertake the project in fiscal 1993.

The government will also likely begin conferring with other industrial nations and the International Atomic Energy Agency (IAEA) on the reactor's location as well as international cooperation to share construction costs of the plutonium reactor, projected at several hundred billion yen, by the end of this year, the paper said.

The plan, a sole undertaking of Japan, came on the heels of the recent move by the Group of Seven (G-7) industrialized countries' call for assistance to help Russia scrap its nuclear weapons as agreed to in a political declaration issued at the Munich Summit, it said.

According to the paper, officials of the Science and Technology Agency said the proposed reactor will be a fast neutron reactor based on a new concept.

It will be the world's largest plutonium-fired reactor with a maximum power generating capacity of 1.3 million kilowatt-hours, which will supply some 500,000 households in Japan, the paper said.

The output capability of the reactor is expected to surpass the current world's top fast breeder reactor, Super Phoenix of France, which also uses plutonium as nuclear fuel and can produce 1.24 million kilowatt-hours of electricity, it said.

Firm Considering Importing Uranium From PRC

OW2107121292 Tokyo KYODO in English 1156 GMT 21 Jul 92

[Text] Tokyo, July 21 KYODO—Tokyo Electric Power Co. is studying a plan to import natural uranium from China for use at its atomic power facilities, industry sources said Tuesday.

If the plan goes through, the company will be the first Japanese electric utility to purchase natural uranium from China.

The sources said China has been looking for foreign importers as its demand for uranium resources for military use declined following the collapse of the east-west cold war structure.

The sources said uranium resources in China are of good quality and inexpensive.

In addition, they said Japanese imports of uranium from China will help correct the trade imbalance between the two countries.

Tokyo Electric Power plans to import a small amount of uranium from China on a trial basis before deciding on a full-scale import program, the sources said.

Under a Nuclear Cooperation Treaty signed between Japan and China in 1986, the government-run Power Reactor and Nuclear Fuel Development Corp. has been engaged in exploration for uranium resources in Liaoning Province, northeastern China.

Japanese electric power companies have already contracted to import about 220,000 short tons of uranium from Canada, Britain, and Australia on a long-term basis, securing supplies needed for their atomic power reactors by the end of this century.

The sources, however, said the power utilities are looking for new sources of uranium supplies as an additional 700,000 tons of natural uranium will be needed by the year 2030 if they go ahead with their plans to build more generation facilities.

Officials of the Ministry of International Trade and Industry welcomed Tokyo Electric's plan as contributing to a stable supply of energy sources in the long run.

The officials pointed to a possibility of Japanese power companies importing natural uranium from Russia in the future.

Atomic power generation will rise to 72 million kilowatt-hours in fiscal 2010, accounting for 27 percent of the total electricity production, from 28.7 million kilowatt-hours or 17.4 percent of the total in fiscal 1988.

Accordingly, demand for uranium fuel will increase to 12,800 tons in 2005, nearly a two-fold increase over 1989.

Under existing international arrangements, all uranium imported by Japan will be transshipped either to the United States or France for enrichment for use at atomic reactors.

British Pharmaceutical Firm Wins Patent Dispute

OW2107065092 Tokyo KYODO in English 0458 GMT 21 Jul 92

[Text] Tokyo, July 21 KYODO—SmithKline Beecham PLC [Public Limited Company] said Tuesday it has reached an out-of-court settlement requiring nine Japanese drug firms to stop importing, manufacturing and selling a key ingredient used in its antiulcer product called Tagamet.

The British pharmaceutical giant had sued the nine Japanese firms, including Nippon Chemiphar Co., for allegedly infringing its patent on the ingredient, called Cimetidine.

SmithKline Beecham did not disclose the money paid by the nine firms for the settlement.

The latest settlement brought to 23 the number of Japanese firms with which SmithKline Beecham has resolved patent disputes over Cimetidine.

SmithKline Beecham is still going to court over the case against two other Japanese firms.

The British firm has been selling Tagamet in Japan since 1982, but similar products have been sold by many Japanese firms since 1990.

Thai Opposition Leader Welcomes PKO Law

OW2007102292 Tokyo KYODO in English 0949 GMT 20 Jul 92

[Text] Okayama, July 20 KYODO—Thai opposition leader Chamlong Simuang welcomed Japan's new law authorizing the overseas dispatch of Japanese troops to join U.N. peacekeeping operations [PKO].

Chamlong told a news conference that the dispatch of Japan's Self-Defense Forces (SDF) to help maintain peace in Cambodia will also have a good influence on Thailand because the nation has suffered from refugee problems.

He arrived in Japan earlier in the day along with a delegation of Thai doctors and agricultural specialists attending a medical conference and a two-week study tour of Japanese farm associations.

He was invited by the Association of Medical Doctors for Asia (AMDA).

Chamlong, who in May led an antigovernment movement that brought down then Prime Minister Suchinda Khraprayun, said he came to Japan to study organic farming and that he hopes to gain fruitful results during his stay.

Touching on agriculture in Thailand, he said the use of agricultural chemicals and chemical fertilizers has raised the cost of agriculture and deteriorated the quality of soil.

He said that those costs have placed most small-scale farmers in a position where they can not continue operating. As a result, Thailand's agriculture will suffer a serious blow if there is a drop in the world price of agricultural products.

Chamlong said the adoption of organic agricultural methods would eliminate slums in Bangkok, since about one million people living in the capital city's slums are farmers who came from the northeastern part of Thailand. The new organic methods would allow them to return to their farms, he said.

Chamlong also called for Japanese investment to Thailand.

During their stay in Japan, the Thai group will visit Hiroshima, Osaka, and Kyoto before departing August 2.

Tokyo To Provide Hospital Grant to Vietnam

OW2107064992 Tokyo KYODO in English 0505 GMT 21 Jul 92

[Text] Tokyo, July 21 KYODO—Japan will provide an 840 million yen grant to Vietnam to help renovate a hospital in Ho Chi Minh City, the Foreign Ministry said Tuesday.

Japanese Ambassador to Vietnam Hiroyuki Yushita and Vietnamese Foreign Minister Nguyen Manh Cam exchanged agreements in Hanoi the same day, the ministry said.

The ministry said it is not a formal resumption of economic aid to Vietnam, which has been halted since 1978 in opposition to Vietnam's invasion of Cambodia.

It called the aid a "special case," citing that Japan helped in the last renovation of the Choray Hospital in 1975.

'Meaningful' Diplomacy Applied Toward Burma

OW2007145192 Tokyo KYODO in English 1425 GMT 20 Jul 92

[Text] Yangoon [Rangoon], July 20 KYODO—A Japanese dietman's recent visit to Myanmar [Burma] was an example of wise diplomacy which is more "meaningful" than concerted pressure by Western nations, a senior diplomat said Monday. The senior diplomat of the Association of Southeast Asian Nations (ASEAN), who asked to remain anonymous, was assessing the visit by Japanese parliamentary Vice Foreign Minister Koji Kakizawa.

Kakizawa, accompanied by Tadamichi Yamamoto, director of the First Southeast Asia Division of the Foreign Ministry, visited Myanmar from July 12 to 14. He held talks with Major-General Khin Nyunt, a secretary of the State Law and Order Restoration Council (SLORC), Trade and Finance Minister Brigadier-General David Abel, and Foreign Minister U Ohn Gyaw. During the talks, Kakizawa expressed Japan's appreciation of the recent changes in Myanmar under the new leadership of General Than Shwe, the diplomat told KYODO News Service. Kakizawa also expressed hope that the positive developments would lead to the eventual transfer of power to civilian rule, the diplomat said.

Gen. Khin Nyunt explained the current process of constitution drafting to proceed with the power transfer, and reportedly said the military has no intention of remaining in power for very long. The current arrangements were to lay the foundation for a new democratic state, the diplomat quoted Khin Nyunt as saying. He also reportedly told Kakizawa that though the release of political prisoners would continue after proper scrutiny, Aung San Suu Kyi, leader of the National League for Democracy, would not be released because she remains a "threat to national security." She would be freed if she leaves the country, the diplomat quoted him as saying.

The diplomat said, "Persistent concerted pressure by Western countries for the release of Aung San Suu kyi is meaningless. It only prolongs military rule."

"The military government will not bend to such pressures and Aung San Suu Kyi would not benefit. It will simply deepen already strained relations between Myanmar and these countries. The Japanese approach is more meaningful," the diplomat said.

Dutch Women Reportedly Used as 'Comfort Women'

OW2107103992 Tokyo KYODO in English 0940 GMT 21 Jul 92

[Text] Tokyo, July 21 KYODO—The Japanese Imperial Army forced 35 Dutch women to provide sex for Japanese officers and troops in occupied Indonesia prior to the end of World War II, the evening edition of the ASAHI SHIMBUN reported Tuesday.

Investigating documents from war crimes trials held in 1948 at the Hague, the ASAHI reported that 12 officers of the Japanese Imperial Army were convicted for operating four brothels in Semarang on the island of Java in February 1944.

Eleven of the officers were given prison terms and one major of the Imperial Army was given the death penalty, the ASAHI reported.

Reacting to the ASAHI report, Prime Minister Kiichi Miyazawa's chief spokesman, Koichi kato, said the Japanese Government would apologize to the Netherlands if the contents of the news report were confirmed.

The ASAHI said that the major of the Japanese Imperial Army denied during the trial the evidence presented by the prosecution, but the testimony of the women involved convicted the officer and the execution was carried out.

Among the more than 100 pages of trial documents obtained by the ASAHI was a report based on investigations by the allied forces general headquarters on forced prostitution in west Borneo during the occupation of the Japanese Imperial Navy.

According to the documents, the women were threatened with "death by brutal means" or "revenge on their families" if they refused to provide sex for the officers, the ASAHI reported.

The women were recruited by an order of the Imperial Army for people of "voluntary will" and were told they would not be working as prostitutes but as waitresses, the ASAHI said, quoting the documents.

The deceived women were then relocated in one of the Semarang brothels operated by the army's Officer Candidate Corps, which was in charge of recruiting the women and the management of the brothels.

The brothels were in operation for about a month before Tokyo headquarters ordered them to be closed down, ASAHI said.

The women in their testimony said there were about 100 Dutch women on Java at the time who were being forced to provide sex for the Japanese forces, the ASAHI reported.

According to the court documents, the women between the ages of 18 and 26 were ordered to the office of the detention facility and were questioned about their families, the ASAHI said.

They were then taken to Semarang and confined to a single room in the brothels and were beaten and knocked down if they tried to prevent someone from entering the room, the ASAHI reported.

Two young women attempted to escape, but failed and another attempted to commit suicide by drinking quinine, the ASAHI said.

Historians have maintained that as many as 200,000 women and girls, many from the Korean peninsula, Taiwan, China and the Philippines, were forced to be "comfort women" in frontline brothels for Japanese Imperial Army troops.

Earlier this month, the government formally recognized its role in the conscription of the women and Prime Minister Miyazawa indicated that Japan was considering taking some measures to compensate Asian women forced to be "comfort women."

In Seoul, YONHAP News Agency, quoting South Korean Foreign Ministry sources, reported that the government will release in early August a report on former comfort women from the Korean peninsula.

The report will be based on data from the Japanese Government and results of South Korean investigations into the case, YONHAP said.

YONHAP quoted the Foreign Ministry sources as saying that the South Korean Government will give compensation to Korean girls and women who were victimized by Japanese troops during the war.

Resumption of South African Negotiations Urged

OW1707075392 Tokyo KYODO in English 0735 GMT 17 Jul 92

[Text] Tokyo, July 17 KYODO—Japan on Friday called on all parties to the political process in South Africa to resume negotiations in a peaceful atmosphere and to cooperate fully with a special envoy to be sent there soon by the United Nations.

Foreign Ministry spokesman Masamichi Hanabusa told foreign correspondents that Japan "is gravely concerned about the loss of many lives in the recent series of violence in South Africa."

Hanabusa said Japan is also concerned that negotiations between the white minority government and parties representing the country's black majority have been suspended.

The spokesman called upon all parties "to tenaciously continue negotiations with self-restraint."

He said such a message was earlier this month conveyed both to the South African Government and to the African National Congress (ANC).

Hanabusa hailed the UN Security Council for unanimously voting Thursday for a resolution asking Secretary General Butros Butros-Ghali to urgently appoint a special representative to South Africa.

The spokesman urged the involved parties there "to cooperate fully with the special representative of the secretary general in his activity to assist in bringing an effective end to the violence and help creating conditions for peaceful negotiations to continue."

The resolution also condemned the escalating violence in black townships, called on the South African authorities to take measures to end it, and urged resumed negotiations for a multiracial constitution.

Watanabe Plans No Part in War Shrine Visit

OW2107063392 Tokyo KYODO in English 0515 GMT 21 Jul 92

[Text] Tokyo, July 21 KYODO—Foreign Minister Michio Watanabe indicated Tuesday that he would not take part in an annual ceremony at the Yasukuni Shrine on August 15 to pay homage to Japan's war dead.

Watanabe told reporters that while he is not sure whether he will visit the shrine in downtown Tokyo this year in his official capacity, he has already decided to be in his home prefecture of Tochigi from August 13 to 16.

August 15 is the anniversary of Japan's surrender in World War II in 1945. Visits at that time to the shrine by public officials have stirred controversy, since Class-A war criminals are among the soldiers enshrined there.

Prime Minister Kiichi Miyazawa said Saturday that he has no plans to attend the ceremony.

In August 1985, Prime Minister Yasuhiro Nakasone became the first postwar prime minister to visit the shrine, inviting criticism from both home and abroad.

LDP Said Expected To Gain Seats in Elections

OW2107060992 Tokyo KYODO in English 0456 GMT 21 Jul 92

[Text] Tokyo, July 21 KYODO—The ruling Liberal Democratic Party is expected to recoup a crushing setback it suffered three years ago and walk away with more than half the number of seats at stake in the July 26 House of Councillors election.

Such an outlook emerged in opinion surveys as the campaign for Sunday's election entered its final week.

The LDP's expected triumph, however, will not enable it to regain the majority it lost in the previous upper house election in 1989, which was mired by a nationwide uproar over the implementation of a 3 percent consumption tax and stocks-for-favor and sex scandals involving LDP leaders.

The consumption tax, however, has not been an issue in this campaign. Instead, the opposition Social Democratic Party and the Japanese Communist Party have been hitting Prime Minister Kiichi Miyazawa's government and an LDP hardline stance on enactment of a bill allowing Self-Defense Forces (SDF) to join United Nations' peacekeeping missions.

The bill became a law in June when the governing party won approval of both houses of the Diet with the cooperation of opposition parties Komeito and the Democratic Socialist Party.

Preelection surveys reported the LDP will get at least 64 seats, a majority of the 127 seats at stake.

Elections for half, or 126, of the 252 seats in the upper house are held every three years. This election has the addition of one more vacancy due to the resignation of an upper chamber member who abandoned his seat to run for governor in Tokyo's neighboring Saitama Prefecture.

Of the 127 seats up for election, 50 will be chosen under a proportional representation system in which voters pick parties instead of individual candidates.

Seventy five of the 114 seats the LDP held before the election are open for election. Thus, winning 64 seats would not normally be considered a victory.

But ruling and opposition party officials seem to agree that it is almost impossible for any political grouping to receive more than 70 seats in an upper house election. The exception was seen in the 1986 election, when the LDP took 72 seats after simultaneous elections were held for the House of Representatives and the upper house.

The outcome of the election will not have any immediate bearing on Miyazawa who became prime minister in November last year shortly after he was elected LDP president for a two-year term. But political analysts said an LDP win will make his position secure.

On the other hand, SDP Chairman Makoto Tanabe could be taken to task if he failed to lead the largest opposition party to get 22 seats, the number of SDP seats up for re-election.

His foes questioned the use of "ox walk," or slow voting, tactics used on the floors of the lower and upper houses as a means of SDP resistance to the enactment of the U.N. Peacekeeping Cooperation legislation, as well as the presentation of letters of resignation of SDP lower house members after the bill was enacted.

House of Representatives Speaker Yoshio Sakurauchi, who received the letters of resignation, stalled in handing a decision of whether to accept the resignations, to establish a cooling-off period, finally refusing to accept them.

The number of politicians facing reelection for Komeito is 10, nine for the Japanese Communist Party and five for the Democratic Socialist Party.

Except for the severe loss of seats the LDP suffered three years ago, it has consistently won 67.2 seats on average in upper house elections. That for the SDP has been 28.8.

Some LDP leaders have forecast their party may take as many as 70 seats. LDP Secretary General Tamisuke Watanuki, however, said that figure was too optimistic, a remark regarded as cautionary to prevent party chieftains from becoming self-complacent.

Political experts said the LDP must look three years ahead to the possibility of regaining a majority in the upper house. Its victory in Sunday's election will serve as a springboard for such a future strategy.

Introduction of Forward Rate Agreement Considered

OW1807081492 Tokyo KYODO in English 0524 GMT 18 Jul 92

[Text] Tokyo, July 18 KYODO—The Ministry of Finance (MOF) is studying the possible introduction of financial futures transactions that could be made through negotiations between banks and clients outside the financial exchanges, MOF officials said Saturday.

Such transactions, known as the forward rate agreement (FRA) on interest rate futures and as the forward exchange agreement (FXA) on currency futures, are already being done in foreign financial centers such as London. Conditions of the transactions are determined directly by banks and their clients, enabling clients to weigh various investment risks on their own.

The current Japanese law does not cover such transactions, and they could be classified as gambling under the criminal code unless the law is revised. Japanese banks have an estimated balance of about 35 trillion yen in such transactions overseas.

The ministry will [words indistinct] transactions under the banking act, the officials said.

Ruling, Opposition Parties Split Over Tax Cut

OW1807102392 Tokyo KYODO in English 0959 GMT 18 Jul 92

[Text] Tokyo, July 18 KYODO—With Japan in a protracted economic slump, the campaign policies of the ruling Liberal Democratic Party (LDP) and opposition parties in the House of Councillors election are focusing on economic issues, observers said Saturday. But when it comes to how to revive the anemic economy, they are not necessarily of one mind, particularly over whether the next economic-boosting package should include an income tax cut, they said.

The LDP remains dead set against any income tax cut, but the opposition parties want a cut of 1 trillion yen to 2 trillion yen. The observers said Prime Minister Kiichi Miyazawa has made clear his opposition to a tax cut, arguing that it remains unresolved whether to finance such a cut. He apparently fears that with tax revenues dwindling because of the slump a major tax cut would force the government to issue debt-financing bonds. In fiscal 1990, the Finance Ministry managed to avoid issuing debt-financing bonds, a long-held goal, and it is reluctant to issue the bonds again.

Shin Kanemaru, the eminence grise of Japanese politics, agrees with Miyazawa, saying a tax cut will not stimulate consumption, but would only boost savings because Japanese households already are saturated with big-ticket goods such as cars and home appliances.

The opposition parties are calling for a tax cut in their campaigning for the July 26 election, saying a cut will renew the consumer appetite for shopping. The opposition, however, has not come up with any new ways to fund the cut. They say restrained government spending and an economic recovery that will increase tax revenue will fill in the likely deficit in the state coffers.

The ruling and opposition parties do share common views about other monetary and fiscal policies. Both oppose further easing of credit by the Bank of Japan (BOJ), arguing that another rate cut will draw fire from those who live on interest earnings, mostly the elderly. Their unified opposition to a credit cut is unusual for Japanese politicians, who traditionally have favored tinkering with interest rates when the economy was in bad shape.

Regardless of their views, speculation was rampant recently that the central bank is set to nudge down the official discount rate in the autumn. The BOJ last trimmed the benchmark rate, which it charges on loans to commercial banks, by 0.75 percentage point to 3.75 percent on April 1, just after the government unveiled its emergency economic program in late March.

The ruling and opposition parties also agree that the government's planned supplementary budget should include public works spending of 5 trillion yen to 7 trillion yen. But private economists are skeptical that such massive fiscal spending can be readily translated into economic growth.

Atsushi Miyawaki, senior analyst at Japan Research Institute, said he is not sure Japan can digest so much public works spending because of the current labor crunch.

"I think the current economy can absorb 3 trillion yen worth investments at most. Even then, its effect will be a just over 2 percent growth," he said.

SDP Opposes Cut in Official Discount Rate

OW1807082992 Tokyo KYODO in English 0801 GMT 18 Jul 92

[Text] Tokyo, July 18 KYODO—The Social Democratic Party (SDP) said Saturday the official discount rate should not be lowered from the current 3.75 percent per year. In a set of proposals to stimulate the economy, Japan's biggest opposition party said a series of cuts in the key lending rate since last September have saved financial institutions but have diminished depositors' income and stagnated individual consumption.

The Bank of Japan last cut the discount rate, which it charges on loans to commercial banks, on April 1 by 0.75 percentage point to 3.75 percent.

The SDP said the government should immediately declare that it will not adopt a lower-rate policy to prevent the recurrence of the so-called bubble economy. The party also proposed a 1.5 trillion yen income tax cut to expand individual consumption, while opposing efforts to lower the land value tax introduced at the start of this year to lower land prices.

Small Firms Complain About Credit Shortage

OW2007115392 Tokyo KYODO in English 1133 GMT 20 Jul 92

[Text] Tokyo, July 20 KYODO—Small- and medium-size enterprises complaining of the worsening fund-raising situation outnumbered those which reported an improvement during the April- June period of 1992, the Small Business Credit Insurance Corp. said Monday.

The government-financed corporation, citing its recent survey, said the number of companies which reported worse conditions was 15.2 percentage points higher than those which said there was an improvement. The survey was conducted on 8,000 companies to which the corporation offered loan guarantees, with some 4,244 responding.

"The credit situation for small enterprises remained severe (in the April-June period) but it seems to have bottomed out since the situation was almost unchanged from the January-March period," said an official of the corporation.

The corporation said its survey showed that companies belonging to 10 businesses ranging from manufacturing to [words indistinct] complained about fund-raising difficulty. It said the number of companies reporting difficulty borrowing from financial institutions was 13.8 percentage points higher than those which said they did not have such problems, resulting in the seventh consecutive quarter of credit crunch since the October-December period of 1990.

The corporation said the average interest rate on their loans stood at 6.56 percent per annum, down from 7.89 percent for the same period last year.

BOJ Says Prospects for Recovery 'Quite Murky'

OW2107124592 Tokyo KYODO in English 1233 GMT 21 Jul 92

[Text] Tokyo, July 21 KYODO—The Bank of Japan (BOJ) said Tuesday that the outlook for the economic recovery is quite murky because concerns about problems in the financial sector stemming from asset deflation overshadow budding upward momentum.

"It is undeniable that the economic prospect is quite opaque" as inventory adjustment will continue for some time and the financial sector is plagued by problems due to declining asset values, the central bank said.

In a quarterly analysis and economic outlook released Tuesday, the bank said the domestic economy is still in an "adjustment phase" as inventory adjustment wields strong downward pressure on production.

But while companies are vehemently cutting their stockpiles and consumer spending is gradually slowing, increased housing investment and brisk public works spending are showing signs of propping up the economy, it observed.

The bank also said the momentum leading toward a bottoming out of the economy is beginning to work.

As overall final demand is expected to recover gradually, inventory adjustment will be closer to a finish in autumn, and production will start rising in some manufacturing sectors before the end of the adjustment, the bank said.

But the bank said chances are that recovery will be tardy in coming because individual consumption is softening and inventory adjustments will continue on some durable goods while curtailment of of excess corporate facilities is slow.

A BOJ official briefing reporters said, "we are not quite confident" about the recovery of final demand.

"We will be watching the possible effects of problems in the financial sector on the real economy with an alert," the official said.

He added that the development of problems such as bad loans held by banks could possibly retard the economic recovery.

Another BOJ official said the central bank should keep an eye on whether falling stock prices will make banks more unwilling to lend, particularly when the economy starts picking up.

"Problems in the financial sector concerning asset deflation constitute a large portion of the downside risks for the economy," said Takashi Kiuchi, chief economist at the long-term Credit Bank of Japan.

Kiuchi said fallout from the end of Japan's so-called bubble economy is coming down on all aspects of the "real economy."

"People are beginning to realize that the negative effects of the burst of the bubble are not limited, as they expected, to a small number of sectors like real estate and financial businesses," he said.

The BOJ has just conceded that it is difficult for the economy to really expand because solving problems in the financial sector will take a long time, said Susumu Kato, director of economic research at Goldman Sachs (Japan) Corp.

He said the point is that the size of the bad loans in banks has not been disclosed, and as a result people are on the alert.

"But what we are having now is a natural (adjustment) process of the economy, and there are no reasons why we cannot expect a natural recovery," he said.

One senior official at a major city bank said the total of bad loans in the Japanese banking sector is somewhere between 20 and 25 trillion yen.

Some economists argue such a huge amount of nonperforming loans coupled with falling stock and land prices will create a serious credit squeeze.

Jesper Koll, senior economist at S.G. Warburg Securities (Japan) Inc., however, said, "The problem is mainly a psychological one."

"This has never happened before, and nobody really knows what to do," he said.

"The restructuring that is required is very different from, and much more difficult than, that required after the external shocks," like the oil crises and the yen's upswing, he said.

Koll said it is still correct to ask how there can be declining interest rates while at the same time there is supposed to be a credit crunch.

But he admitted bad loans could put a major drag on corporate investments.

"Refinancing bad loans means you are refinancing past expenditure," Koll said.

He said it would be "paying the bill for the party we had between 1986 and 1989."

"It takes away funds that could be used toward productive investments in the future," Koll added.

Hata 'Not Worried' About Further Market Fall

OW2107040792 Tokyo KYODO in English 0321 GMT 21 Jul 92

[Text] Tokyo, July 21 KYODO—Finance Minister Tsutomu Hata said Tuesday he is not worried about a further decline of stock prices, predicting the market will see an upturn as the business outlook turns for the better.

Hata said at a press conference following a regular cabinet meeting that the downturn on the New York market is dragging down Japanese stocks, but said there is no worry that the Japanese market will deteriorate further.

"As corporate business records improve, stocks will start rising steadily," he said.

The government has no plan to salvage the faltering market at the moment, he said.

Asked of similarities between the current international monetary situation and that seen at the time of the Black Monday market crash in 1987, Hata said the economic conditions in Germany are different now.

The Black Monday crash was triggered in part by a growing difference in interest rates between the U.S. and Germany, just as is happening now.

But Hata stressed that Germany's current tight monetary policy should be accepted in view of overheated investments and rapid money supply growth in the country stemming from its unification.

On the Tokyo stock market, the benchmark Nikkei index took a nosedive Monday, sinking below the 16,000 yen line.

Responding to queries about a concerted intervention overnight by the Group of Seven (G-7) countries to boost the dollar, Hata pointed to the fact that the German mark is strengthening.

The U.S. and major European central banks stepped into the currency markets Monday, selling marks for dollars, in an apparent attempt to support the flagging U.S. currency in the face of a danger of a simultaneous collapse of stocks in major markets.

Effects of Pump-Priming Expected 'This Summer'

OW2107044192 Tokyo KYODO in English 0409 GMT 21 Jul 92

[Text] Tokyo, July 21 KYODO—The front-loading of fiscal 1992 public works spending will begin to have favorable effects on the economy this summer, Construction Minister Taku Yamasaki told the cabinet Tuesday.

The front-loading is being implemented as part of the government's pump-priming measures for the fiscal year which started last April 1.

Government officials said Yamasaki also told a regular cabinet meeting that contracts were signed with construction companies for 50 to 55 percent of the total scheduled spending amount as of the end of June.

The contract rate was close to 60 percent for the public works spending of the construction ministry, Yamasaki said.

The early implementation of the spending will begin to have favorable effects on the economy this summer, considering time lags from contract signing to the start of actual construction, he said.

Early Investment in Land for Public Use Urged

OW2107040692 Tokyo KYODO in English 0315 GMT 21 Jul 92

[Text] Tokyo, July 21 KYODO—International Trade and Industry Minister Kozo Watanabe on Tuesday said the public sector should acquire land now for future public works as a way to revitalize the sluggish economy.

Watanabe said at a press conference, "the economy could lose its energy if land, money, and goods stand still."

After the collapse of the inflationary "bubble" economy, real estate companies and financial institutions have run into trouble, with land they cannot sell left on their hands.

Under the circumstances, Watanabe said, it is important to have local governments and public corporations make "prior investment" in public works by buying such land, which could help upgrade living standards for people as well as boost the economy.

North Korea

Latest North-South Red Cross Meeting Detailed

SK2007160192 Pyongyang KCNA in English 1530 GMT 20 Jul 92

[Text] Panmunjom July 20 (KCNA)—The sixth contact of North-South Red Cross working delegates for the exchange of old parents' visiting groups and art troupes was held in the conference room of the Neutral Nations Supervisory Commission at Panmunjom today.

The head of the North side's delegation told the reporters that the North side put forward a new radical amendment and proposed to discuss practical matters to reach an agreement from the sincere stand to successfully carry out the exchange of visiting groups at any cost, though the South Korean authorities were laying one deliberate obstacle after another in the way of the exchange.

The South side, however, came out to the conference room without any amendment and took an insincere attitude, insisting on its old assertions.

The South side said it "fully understood" the need to exclude from the visiting groups of old parents those who committed grave crimes including murder, not to allow the reporters to slander the other side in their news coverage and post up posters of art performance outside the places of performance justly proposed by the North side. But it refused to specify this in the agreement.

In face of the sincere efforts of our side, the South side was compelled to agree to set the whole scale of visiting group of old parents and the art troupe at 241 men and women, enter 130 persons on the list of old parents to be exchanged, give two art performances on each side and deliver mail bags twice a day.

The North side urged the South side not to foil the exchange of visiting groups that has been arranged with so much efforts with the "Focus Lance" [as received] war game reeking of powder smell and to come out to the next contact after deeply studying the North's new proposal.

It was agreed to have the seventh contact of Red Cross working delegates on July 25.

Editorial Stresses Need To Produce, Conserve

SK1907132992 Pyongyang Korean Central Broadcasting Network in Korean 0010 GMT 14 Jul 92

[NODONG SINMUN 14 July editorial: "Let Us Properly Carry on the Economic Organizational Work Designed To Save and Produce More"]

[Text] All party members and working people are now vigorously carrying out a loyal struggle as well as upholding the party's militant appeal to bring about a new upsurge in socialist economic construction.

It is one of the projects, on which we have to now concentrate greater effort in order to make this meaningful year the most brilliant, victorious year in the history of our fatherland by constantly bringing about upsurges on all fronts of socialist economic construction, to intensify the struggle for saving and producing more.

The dear leader Comrade Kim Chong-il has noted: Elimination of waste and saving is as important as production. Great reserves for increasing production lies in eliminating waste.

To save is to increase production. Only when we eliminate waste, increase production, and save to the utmost can we produce and construct more—even with small amounts of capital—and assiduously manage the nation's economy.

It is akin to throwing water on thirsty soil to increase the quantity of production itself while haphazardly wasting everything in the process of not trying to save.

One who saves even a single watt of electric power, a piece of steel plate, a gram of coal, and a drop of oil and uses them efficiently is a genuine patriot faithfully working for the party, the leader, the fatherland, and the people.

The production potential available in our country is great. If the plants and enterprises save and efficiently use raw materials, fuel, materials, and energy with all their might, they can increase production even more than they do now.

One great reserve for increasing production lies nowhere else but in saving such major elements of production as raw materials, fuel, materials, and energy by intensifying the struggle for saving.

To make the struggle for saving and production more of an all-masses movement and to launch it even more vigorously, it is imperative for functionaries to properly carry on the economic organizational work.

No work goes well without organization. The economic organizational work is an important work that is capable of organizing the producer masses so that they can superbly carry out the economic tasks. Organizational work is also capable of translating the producer masses enlivened revolutionary zeal into substantial successful production by sufficiently furnishing them with necessary economic and technological conditions.

The revolutionary enthusiasm of all our party members and working people who are displaying the struggle of loyalty to brilliantly fulfill this year's plans is extremely high. They are upholding the party's militant appeal.

They are tenaciously struggling to implement the tasks assigned to their sectors and units with the labor, equipment, and materials available to them. If the functionaries' meticulous organizational work is added to this to support them, it would be possible to bring about a great upsurge in production and construction while saving more raw materials, fuel, materials, and energy.

Now is the time for functionaries and commanding members of the revolution to properly carry on the economic organizational work designed to save raw materials, fuel, materials, and energy and produce more and to guarantee supply. This comes at a time when the loyal struggle to bring about new upsurges in socialist economic construction is being vigorously displayed.

Functionaries in all sectors and units of the people's economy should be aware that saving and producing more is an important way to guarantee the brilliant fulfillment of this year's plans. It is also a way to preplan and supervise the work designed to save raw materials, fuel, materials, and energy even better.

To carry on the economic organizational work designed to save and produce more, it is most important for functionaries to correctly understand the significance of this work and approach it with a sense of responsibility.

The ultimate aim of saving is to produce more. The more raw materials, fuel, materials, and energy are saved as a result of a well preplanned and supervised struggle for saving, the more the production grows, ultimately winding up strengthening the nation's economic might and raising the people's standard of living quickly.

Being aware that the work designed to save raw materials, fuel, and energy is not merely a simple working-level economic work, but an important political work for enriching, strengthening, and developing the nation and promoting the well-being of the people, functionaries should properly and precisely carry on the organizational work designed to save and produce more in their own sectors and units.

To properly do the economic organizational work to save and produce more, it is imperative for functionaries to go deep to the scene of action. It is the production sites where the raw material, materials, and energy are being consumed. Those using the raw material, materials, and energy are on the sites. None more than the producing masses know ways to save them.

Only when functionaries go deep among the producing masses can they find ways to save raw material, fuel, and energy in a timely manner and carefully take steps to put these ways into practice.

Without exception, all the functionaries, upholding the party's wish that they go below, should go to plants, enterprises, and cooperative farms. Once they are in the plants and enterprises, they should deeply explain and instill into the minds the party's demand that raw material, materials, and energy be saved.

Functionaries should seriously discuss ways to save the raw material, materials, and energy with the producing masses, sitting knee-to-knee with them, and base themselves on the discussion results to set goals specifically for saving and should define the phases of the saving efforts. At the same time, they should give each and every one of the producing masses specific tasks for saving and correctly sum up the degree of their savings of raw material, materials, and energy when summing up production and the status of the producing masses' fulfillment of the plan targets so as to make them rise in the struggle to save more zealously.

It is important to properly do the organizational work to save raw material, materials, and energy with all one's might. Functionaries should graphically and fully grasp and analyze the true nature of the production in the plants and enterprises and should preplan and supervise responsibly all types of tasks, including the task to correctly define the standard amounts of raw materials consumed for producing every unit of goods, to strictly apply the standards, and to lower the consumption. In particular, they should preplan and supervise well the mass movement for the purpose of saving such major raw material and fuel of the chuche- oriented industry as coal, steel products, and oil, in a way that suits reality. Functionaries should keep warehouses in good condition, set a stringent system and order in supplying and using the raw material and materials, and prevent the raw material and materials from being lost or wasted.

Instead of storing the raw material and materials that are not for immediate use, functionaries should thoroughly take measures to effectively use them.

Electricity is the basic energy of industry. Functionaries should do a good job in the organizational and commanding work to economize and conserve the generated power with all their might, in parallel with their concentration of effort on building power stations.

Functionaries at such industrial sectors as metallurgical and chemical industries that use the electricity for electrolysis and heating should properly work with the scientists, technicians, and workers and have them change the processes that consume too much electricity to processes of not using or using less electricity. At the same time, they should ensure that the scientists, technicians, and workers choose electric motors and transformers appropriate for their capacity and save with all their might water, compressed air, and gas, which are materials produced with electricity.

Functionaries should be more thorough in properly organizing alternative production as called for by the party and take thorough steps to reduce as much as possible the consumption of power (?used for other purposes) and nonproductive purposes.

Strengthening the technological innovation movement and actively introducing advanced technologies are important ways to save and produce more.

Instead of focusing on the immediate production, functionaries at all domains and units of the national economy should also pay deep attention to the work to vigorously advance the technological innovation movement to save raw material, materials, and energy.

Domains and units concerned should ensure that the producing masses come up with extraordinary ideas and positive proposals to save more raw material, materials, and energy based on creative cooperation among them. At the same time, they should take positive steps to boldly apply the economically important scientific and technological successes to production.

As an immediate task, plants and enterprises should concentrate, as a matter of course, efforts to introduce recent broad scientific and technological successes into various units, plants, and enterprises and, as a result, contribute to saving a great deal of electricity, coal, oil, and steel.

It is important to strengthen discipline and order. All domains of the national economy should maintain strong discipline and order at every step, such as correctly defining the standards of consumption of raw material, materials, and energy; establishing a system of warehousing and removing from storage; and furnishing the producing masses with guidance and control with which they can abide.

Party organizations at all levels at all domains and units of the national economy, heedful of the lofty consciousness that the economic guidance functionaries are the commanding members of the revolution behind the steering wheel of socialist economic construction, should give the producing masses proper guidance so that they can organize and command in their own domains and units the work to save and effectively use raw material, materials, and energy responsibly.

Let us all effect new changes in socialist economic construction by strengthening the struggle to save even further and brilliantly hasten the fulfillment of this year's plans ahead of schedule, upholding the party's wish that all of us save and produce more.

Memorandum Details Japanese Nuclear Development

SK2007123492 Pyongyang KCNA in English
1002 GMT 20 Jul 92

["Japan Is Hastening Nuclear Armament in Real Earnest"—KCNA headline]

[Text] Pyongyang July 20 (KCNA)—A memorandum of the International Affairs Institute of the Democratic People's Republic of Korea headlined "Japan Is Hastening Nuclear Armament in Real Earnest" was published on July 19, the full text of which reads:

Japan has extensively increased the "Self-Defence Forces" (SDF) behind the facade of the "peaceful constitution" since World War II and is now hastening in real earnest her nuclear armament which she has projected from long ago.

To check and frustrate Japan's militarization and nuclear armament is an urgent requirement for preserving peace and security in Asia and the world.

The International Affairs Institute of the Democratic People's Republic of Korea is publishing this memorandum, considering it necessary to inform the world that Japan's moves for nuclear armament have reached a very dangerous phase.

1. Japan has long since paved the way for nuclear armament.

The Japanese rulers and military have tried to make it the "state policy" to develop, possess and be armed with nuclear weapons.

Japanese prime ministers, cabinet ministers and Dietmen from the Liberal Democratic Party have incessantly expressed the wish to produce, possess and be armed with nuclear weapons from the late 1950s.

On May 7, 1957, Japanese Prime Minister Kishi said at the budget Committee of the House of Councillors: "A mere mention of a thing assuming the name of nuclear weapon is branded as a violation of the Constitution. But it is wrong to interpret the Constitution that way. ... It cannot be said without seeing the future developments that anything labelled nuclear weapon should be denied". (Japanese book "Nuclear Armament of Japan Has Come Thus Far" published in 1975, p. 97)

On December 20, 1967, Masuda, director of the "Defence Agency" of Japan, said at the Budget Committee of the House of Councillors: "Tactical nuclear weapons can be possessed because they pose no threat to foreign countries and they are to defend the mainland."

On February 10, 1968, Takatsuji, director general of the Legislation Bureau of the Japanese Cabinet, said at the Budget Committee of the House of Councillors: "It is not stipulated in the Constitution that nuclear weapons must not be possessed while conventional weapons may be. The Constitution has the provision that ... Combat power must not be had. But, there exist the Self-Defence Forces on the basis of the law on Self-Defence Forces. ... The interpretation that the SDF is constitutional is just the interpretation as regards weapons. In other words, there is no distinction between nuclear and other weapons in the Constitution."

Asked by Komei Dietman Fushiki if it was the government's view that the criterion distinguishing between defensive and offensive nuclear weapons was not their explosive or striking power and that a nuclear weapon for defending the Japanese people could be called a defensive weapon even if it could reach the continent, Takatsuji replied: "That's right, by and large". (Ibid pp. 98-102)

The official view of the Japanese rulers that Japan's possession of nuclear weapons does not contravene the "peaceful constitution" has solidified the foundation for justifying the possession of nuclear weapons under the pretext of "defence".

At a press conference on February 7, 1968, Japanese Minister of Agriculture and Forestry Kuraishi contended that the "peaceful constitution" should be revised for the younger generation and that "... Japan, too, should have atomic bombs and troops 300,000 strong." (Ibid, p. 99)

On June 13, 1969, Liberal Democratic Dietman of Japan Kikuchi, said at the Committee on Cabinet of the House of Representatives: "Nobody but a fool talks about the three non-nuclear principles. The need to have nuclear weapons may be raised, depending on time and place. In case the Japan-U.S. security pact is scrapped and Japan has to defend herself with her strength, she must possess both atomic and hydrogen bombs."

On March 14, 1968, Ex-Prime Minister of Japan Kishi said at the Federation of Economic Organisations in central Japan: "It is natural that our country should be armed with nuclear weapons since there is no possibility of nuclear weapons disappearing in the near future and the conventional weapons will, in the future, be little better than the bamboo spears of the bygone days." This informal statement made by Kishi as ex-prime minister revealed the ulterior intention he had harboured when he was in office.

Japanese Prime Minister Sato said at the plenary session of the House of Representatives on June 2, 1969: "The three non-nuclear principles may be altered any time if the policy changes or if a new cabinet appears." (Ibid, pp. 103-105)

Ishihara of the Liberal Democratic Party of Japan said: "If Japan is to secure an equal diplomatic position in confrontation with great powers, she should pursue what was called the policy of 'big ships and big guns' in the past. This policy today means nothing but nuclear weapons." "If we fail to have as many nuclear weapons as Britain or France has, we will inevitably be landed in a situation where we will have to make a considerably big concession." (the Japanese Magazine KOKUBO, November, 1969)

On February 18, 1978, Ito, chief of the Defence Bureau of the "Defence Agency" of Japan, said at the Budget Committee of the House of Representativs: "It is possible to be armed with tactical nuclear weapons if they are 'totally for defence'." (JIJI Feb. 18, 1978 from Tokyo)

On March 2, 1978, Japanese Foreign Minister Sonoda said at the Foreign Affairs Committee of the House of Representatives: "We do not mean that Japan cannot possess nuclear weapons, bound by the Constitution itself." (JIJI Mar. 2, 1978 from Tokyo)

On March 8, 1978, Japanese Prime Minister Fukuda said at the Budget Committee of the House of Councillors: "A decision on equipping the armed forces of the country with nuclear weapons can be adopted." (TASS Mar. 26, 1978 from Moscow)

The Japanese rulers' craving for nuclear armament grew more intense in the 1980s.

On June 4, 1984, Japanese Prime Minister Nakasone, turned down the opposition demand that a principle of not allowing the use of nuclear weapons be added to the "three non-nuclear principles". He said: "This is a problem giving rise to doubts in view of international law because Japan's adoption of the principle of not allowing the use of nuclear weapons may be an infringement on the sovereignty of the nuclear weapon states." (KYODO Jun. 5, 1984 from Tokyo)

Mokushi, director general of the Cabinet Legislation Bureau of Japan, said: "Japan has her inherent right to Self-Defence and can have the minimum necessary Self-Defence Forces. Accordingly, it is the government's view that Japan can have nuclear weapons within this limit." (the Japanese paper ASAHI SHIMBUN Mar. 16, 1984)

Strong ambition for nuclear armament was manifested in official documents of the Japanese military.

The document "Military Request as Regards the Second Defence Forces Adjustment Program" worked out by the Secretariat of the Joint Chiefs of Staff of the Japan "SDF" in 1959 says:

"Introduction of nuclear weapons is a natural military requirement because military equipment must be sophisticated and powerful. It is quite difficult and dangerous to totally negate a nuclear warfare in our defence operations. And the United States might use nuclear weapons in joint operations because the U.S. Forces are equipped mainly with nuclear arms strategically and tactically. So, I think it desirable that our country which stands against the communist camp in alliance with the U.S. should have nuclear warfare capability. ... From the military point of view, Japan should have the capability of using tactical nuclear weapons mainly consisting of defensive weapons, not to speak of the capability of coping with a nuclear war." (Japanese book "Nuclear Armament of Japan Has Come Thus Far" published in 1975, p. 136)

The socalled "plan of three arrows operation" worked out by the Japan "SDF" in 1963 for a coordinated operation with the U.S., taking the DPRK for an imaginary enemy presupposes the use of nuclear weapons by Japan.

"Basic Study No. 4," of this "plan", which deals with the Japan- U.S. relations, makes the nuclear problem its main point and explains how to use nuclear weapons, presupposing Japan's possession of nuclear weapons. (Ibid, pp. 134-135)

"Self-Reliant Defence Program" worked out by the "Defence Agency" of Japan in 1969 says that Japan should develop and possess her own nuclear weapons and inter-continental ballistic missiles for their delivery. (the Japanese newspaper ASAHI EVENING NEWS, June. 27, 1969)

"White Paper on Defence" for 1970 of the "Defence Agency" of Japan says: "We may regard it possible legally to possess small nuclear weapons, if they are of the minimum amount necessary for defence and they do not pose threat of aggression to other countries." (Japanese book "Black Star of Japan" published in 1972, p. 226)

In 1971 when the development of atomic energy was in full swing in Japan, Nakasone, the then director of the "Defence Agency", published the "Fourth Defence Forces Adjustment Program," arguing that "the Constitution of Japan does not prohibit defensive nuclear weapons." (JIJI Jul. 8, 1971 from Washington)

This statement of Nakasone touched off a great public stir in Japan as it implied that Japan could possess nuclear weapons and, furthermore, would produce them because "peaceful constitution" does not stipulate a ban on the possession of nuclear weapons.

At the United Nations, too, the Japanese Government expressed its intention to produce and possess nuclear weapons.

Japan voted for the resolution on prohibiting the use of nuclear weapons at the 16th session of the U.N. General Assembly in 1961.

But, she abstained from the voting on resolutions on nuclear disarmament at the 22nd, 27th, 31st and 32nd sessions of the U.N. General Assembly.

At the 33rd, 34th, 35th and 36th sessions of the U.N. General Assembly, Japan voted against the resolution on prohibiting the use of nuclear weapons, which said "the use of nuclewr weapons is a crime against mankind", the resolution on giving priority to nuclear disarmament in disarmament, the resolution on prohibiting the new deployment of nuclear weapons in the countries which do not have nuclear weapons and the resolution on prohibiting the production of neutron bombs.

In so doing, the Japanese Government argued that "a total ban on the use of nuclear weapons is incompatible with nuclear deterrent" and that "it may destroy nuclear equilibrium." (Japanese magazine TSUKURU, March 1982)

It is noteworthy that the Japanese Government agreed with the U.S. on the "Japan-U.S. Defence Cooperation Guidelines" at the "Japan-U.S. security consultative meeting" on November 27, 1978 when it began to oppose a series of resolutions on prohibiting the use of nuclear weapons. The "guidelines" provide for supplementing and rounding off the U.S. strategic nuclear system in the Far East. This coincidence could not be viewed as accidental. This showed that the Japanese Government was seeking nuclear armament and intending to contract a nuclear alliance with the United States.

2. Japan has completely built a material and technical foundation for nuclear armament through extensive nuclear development.

Japan has zealously developed nuclear technologies.

Japan began developing atomic energy in 1956. In January that year, the Japanese Government installed a bureau for unified control and direction of atomic energy in the Science and Technology Agency and placed the Atomic Energy Committee, the Institute of Atomic Energy, the Atomic Energy Society and the Atomic Energy Company under the bureau, a permanent organ for the development of atomic energy.

In order to control Japan's nuclear development, the United States sold to Japan a light water reactor entirely dependent on U.S.-made enriched uranium and barred her from developing any other atomic reactor.

Japan, however, developed an advanced thermal reactor (ATR) using Canadian natural uranium as its main raw material, by spending 404 million dollars.

The ATR was built in Tsuruga, Fukui Prefecture, and has been in full operation since 1979. (Japanese book "Imidasu", 1992, p.447)

Thus, Japan got rid of U.S. control in atomic energy production and obtained a relative independence in nuclear development.

The "Defence Agency" of Japan in cooperation with the Mitsubishi Heavy Industries and other companies succeeded in the domestic production of cruise missiles in 1985. It is a sophisticated guided missile capable of delivering both nuclear and conventional warheads.

The Japan "SDF" successfully test-fired domestically made ground- to-ship missiles (SSM1) at the Pacific Missile Center of the U.S. Navy in California, U.S., in the summer of 1987. (Japanese magazine SEKAI SEIJI, first half month of January, 1990, p. 21)

Judging from Japan's missile technology by which Japan launched an atomic-powered ship and succeeded in launching artificial satellites, it is easy to see that Japan now possesses not only nuclear development technology but also the technology of operating nuclear weapons and its devices.

Japan has prepared sufficient nuclear facilities for the production of nuclear weapons.

As of late June 1991, Japan had 41 atomic power stations including ATR, a uranium enrichment plant, a reprocessing plant, four fuel processing plants, a fuel plant for an improved atomic reactor and two uranium plants. The generating capacity is 40 million kilowatts, for which a total of 3,000 tons of nuclear materials are used annually.

When those under construction—10 atomic power stations, a fast breeder reactor (FBR), a uranium enrichment plant, a storage of radioactive waste (low level)—and those projected—four atomic power stations including one ATR, a reprocessing plant and a storage of radioactive waste (high level)—are put into operation, Japan may become a dangerous nuclear power with her capacity of producing nuclear weapons increased markedly. (Japanese book "Imidasu" published in 1992, pp. 440-441)

The Japanese Government authorities are securing sufficient nuclear materials for the production of nuclear weapons.

Japan is importing large quantities of nuclear materials from Canada, France, Britain, Germany, South Africa and other countries.

At the beginning of this year, Japan buckled down to the fulfilment of a grand "plutonium program" and set herself the goal of securing 400 tons of plutonium in 30 years. (Russian paper KOMSOMOLSKAYA PRAVDA, Feb. 13, 1992)

Japan has now stocked 26 tons of plutonium which exceeds by far the amount needed for peaceful purposes. It is enough to make more than 3,000 Nagasaki-type A-bombs. (Japanese magazine BUNGEI SHUNSHU, June 1992, p. 222)

Anti-nuke organisations and press media of different countries are expressing concern over the fact that Japan can produce quantities of nuclear weapons and arm herself with them any time, if determined, since she has completely laid the material and technical foundation for nuclear armament.

Paul Leventhal, director of the U.S. Nuclear Control Institute, in his testimony at the U.S. Senate Foreign Relations Committee on January 15 this year, urged the U.S. Administration to check Japan's plutonium securing program, saying that it is a major obstacle to the denuclearization of the Korean peninsula. (MBC, South Korea, January 16, 1992)

Rolando Simblan, chief of the Denuclearization Federation of the Philippines, said the main problem in Japan's plan to ship plutonium from Europe is not security in transport to Japan but why Japan intends to import so much plutonium. (KYODO May 22, 1992 from Manila)

The December 1991 issue of the South Korean magazine SIN TONG-A said: "Judging from Japan's nuclear technologies, materials, electricity, electronic industry, aviation industry and rapidly-growing space industry, one may conclude that Japan is capable of becoming a nuclear power in a moment, if determined."

Japan, the only A-bomb victim in the world, is rushing headlong along a dangerous road that may plunge mankind and the world into a nuclear scourge, failing to draw a lesson from her bitter past.

We believe that all the anti-nuke and non-nuclear states of the world including those in Asia and the Pacific, the political parties and public organisations opposing war and advocating peace, the United Nations and other international organisations, academic organisations and people of various strata will heighten vigilance against the nuclear armament moves of the Japanese Government and military and denounce it.

South Korea

DPRK Vice Premier's Seoul Visit Continues

Tours Semiconductor Factory

SK2007155392 Seoul YONHAP in English 0923 GMT 20 Jul 92

[Text] Seoul, July 20 (YONHAP)—Visiting North Korean Deputy Premier Kim Tal-hyon began his industrial tour Monday at Samsung's semiconductor factory in Kihung, Kyonggi Province.

Samsung Co. President Yi Pil-gon and other company executives guided Kim through the 90-minute tour of film shows, display rooms and manufacturing lines.

Kim praised Samsung's accomplishments, saying he knew that the company was one of the only five electronics firms he heard of during his overseas trips that would still exist 10 years later.

"This is why we can survive only through technological tie-ups with Samsung," he jested with company officials.

When the officials told the deputy premier they had invested in China and Russia, Kim said: "You should invest in North Korea first, before other countries."

—His tour of Samsung apparently convinced Kim that North Korea needs concentrated investment if it wants to develop home appliance technology.

"I have heard in foreign countries that South Korean technology in electronics and household appliances is excellent," he said while looking at manufacturing lines.

He showed keen interest through specific questions, such as what kind of and from where South Korea brought the technology when first developing semiconductors, how much South Korea depends on foreign technology and the localization rate of parts.

Other questions included the pay range of female workers and where they live.

When asked whether North Korea produces color television sets, refrigerators and VTRs, he said his country made 1 million color televisions and refrigerators, all for domestic consumption, but had yet to produce VTRs.

—Apologetic Economic Planning Minister Choe Kak-kyu opened his conversation with visiting North Korean Deputy Premier Kim Tal-hyon Monday by commenting on the muggy hot weather and the absence of air conditioning in the building.

"Excuse the hot weather, which disregards the fact that we have a guest," Choe said after personally guiding Kim from the elevator to his office.

The economic planning minister went on to explain the South's energy conservation campaign and the government decision not to turn on the air conditioners at any of its offices to lead the campaign.

"About 100,000 to 150,000kw of electricity is saved by not turning on the air conditioners at the government integrated office complexes. It isn't much compared to the 23 million kilowatt being used, but the significance is in leading the campaign," he explained.

The North Korean official answered with nods of understanding.

—The ex-ministers' photographs lining the office walls caught Kim's attention and he first thought they were still working for the Economic Planning Board [EPB].

Choe explained that the photographs were of his 21 predecessors since the Economic Planning Board was established in 1961.

"I am the 25th minister, but I am the 22nd person since some were EPB ministers twice," he told Kim.

—The size of the government integrated office complex, which houses the Economic Planning Board, obviously overwhelmed the North Korean visitor.

Coming out of the car in front of the building after arriving a bit earlier than expected, Deputy Premier Kim spent a few moments looking toward downtown Kwachon and asked whether the Economic Planning Board occupied the entire area.

The deputy EPB minister explained that all of the economic offices were together in the area.

—South Korean officials guiding Kim Tal-hyon had a few moments of anxiety when the Choe-Kim meeting went 15 minutes beyond schedule.

They decided they could not wait any longer and slipped the pair a memo saying the delay was setting back the plans for the rest of the day.

The North Korean official finally emerged from Choe's office, but the EPB minister held onto him a bit longer with a gift—a personally autographed book on South Korea's Seventh Economic and Social Development Plan for 1992-1996.

—Monday's Choe-Kim meeting was only a prelude and the two economic officials will discuss real details on Friday, when they meet for the second time, EPB spokesman Maeng Chong-chu suggested after the morning talks.

"(EPB minister) Choe said he accepts Kim's invitation to visit Pyongyang," Maeng told reporters, "procedures will be discussed through already established dialogue channels."

Projects On Hold Over Nuclear Issue

*SK2107100392 Seoul YONHAP in English
0933 GMT 21 Jul 92*

[Text] Seoul, July 21 (YONHAP)—Despite visiting North Korean Deputy Premier Kim Tal-hyon's call for early inter-Korean economic cooperation, no economic exchanges could be feasible unless the North resolves the nuclear question, senior South Korean Government officials said Tuesday.

Yi Tong-pok, the southern-side spokesman for the inter-Korean prime ministers talks, said, "There is no change whatsoever in our basic stand that no progress could be registered in inter-Korean economic cooperation unless the nuclear issue is settled."

The same is true of the "pilot inter-Korean economic projects" which the North Korean deputy premier has proposed during his current visit to the South, he said.

Another official, Vice Economic Planning Minister Han Kap-su, echoed Yi's remarks, saying that economic exchanges could be realized only after the nuclear question was resolved.

"Even though Deputy Prime Minister Choe Kak-kyu meets Kim Tal- hyon again to discuss economic exchanges, there could be none but parallel running of opinions," he said.

The North itself seems not prepared for early economic exchanges despite their call for it, Yi Tong-pok said.

For instance, he said, the Nampo industrial complex and Siberian gas pipeline projects which the Daewoo Business Group has been promoting, are merely in a planning stage.

As for the Nampo industrial estate, all North Korea offered so far was a 300,000-pyong (300-hectare) land. "No infrastructural facilities like industrial water, power, harbor and roads have been prepared," he said.

He said these projects can be undertaken only after feasibility surveys were successfully conducted and legal and institutional devices taken to facilitate the ventures.

Besides, Yi said, the North is yet to produce any details of the "pilot projects" they want to undertake at an early date.

"Our unchanging policy is that economic exchanges should be promoted and undertaken always within the frame of the basic South- North agreement," the southern spokesman said.

Delegates Criticize Nuclear-Economic Link

*SK2107101592 Seoul YONHAP in English
0955 GMT 21 Jul 92*

[Text] Seoul, July 21 (OANA-YONHAP)—North Korea harshly criticized South Korea's linkage of inter-Korean nuclear issues with economic cooperation Tuesday during nuclear negotiations.

North Korean delegates complained about South Korea repeating the stance while their Deputy Premier Kim Tal-hyon was in Seoul, officials said.

The complaint was lodged during the seventh meeting of the Joint Nuclear Control Commission (JNCC), an inter-Korean body established to settle mutual nuclear inspection regime, they said.

But North Korean officials reiterated it is willing to accept "sincere" full-scope nuclear inspection by the International Atomic Energy Agency (IAEA) and "open any suspected site," Kong No-myong, South Korean chairman to the JNCC, said after a two and half hour session.

The meeting ended without any substance in settling the inspection regime, and the next session is set far off at Aug. 31.

"North Koreans expressed strong discontent at our keynote speech that there can be no progress in inter-Korean relations without a clear solution to the nuclear question, especially at a time when Kim Tal-hyon is on an industrial tour in the South," Kong said.

The North Korean deputy premier is in Seoul since Sunday to see the South Korean economy at first hand.

The JNCC chairman said there is no change in Seoul's principle of "nuclear solution first, economic cooperation later."

"We obviously need North Korea's political decision in order to solve this nuclear dilemma," said Kong.

"Kim Tal-hyon's visit, while it does not mean any substantial progress in inter-Korean relations, will hopefully serve to convince North Korean leader Kim Il-song to make this political decision," he said.

Business Leaders Seek Pyongyang Visit

*SK2107023192 Seoul YONHAP in English
0056 GMT 21 Jul 92*

[Text] Seoul, July 21 (YONHAP)—Leaders of five major South Korean economic organizations told visiting North Korean Deputy Premier Kim Tal-hyon Monday that they wanted to visit North Korea.

In a dinner party to welcome Kim to South Korea, they said that they would visit North Korea if they were invited as part of efforts to expand economic cooperation and exchanges.

The deputy premier said he would invite them to Pyongyang soon, noting that a visit by South Korea's business leaders was "all right now."

Pak Yong-hak, president of the Korea Foreign Trade Association, said he was willing to invest in the North at any time if both Koreas reached an agreement.

Pak asked Kim to arrange basic measures such as an investment guarantee to advance South Korean investment in North Korea.

Yu Chang-sun, chairman of the Federation of Korean Industries, said he would push ahead with inter-Korean economic cooperation through visits to North Korea if the governments of South and North agreed.

Kim Sang-ha, chairman of the Korean Chamber of Commerce and industry, said that if South and North Korea made joint efforts to become economically interdependent, Korea's status in the world would be enhanced.

Limited Economic Cooperation Studied

*SK2107035592 Seoul YONHAP in English
0254 GMT 21 Jun 92*

[Text] Seoul, July 21 (YONHAP)—While North Korean Deputy Premier Kim Tal-hyon is touring industrial plants in the South, the Seoul government is studying the possibility of carrying out economic cooperation with the North on a limited scale.

Specifically, the government is contemplating allowing a visit to North Korea by a team of officials to conduct a feasibility study for the construction of a light industrial complex in Nampo.

North Korea agreed to build the complex with Kim U-chung when the chairman of the Daewoo Business Group visited North Korea earlier in the year.

A senior South Korean official said the government attached importance to Kim Tal-hyon's positive attitude toward economic cooperation between the South and the North. As a result, the government was considering realizing a number of pilot joint ventures in order to make Kim's visit fruitful, the official said, requesting anonymity.

The official was quick to add, however, that there were no changes in the government position on the nuclear issue, without whose resolution there could not be substantial improvement in exchanges and economic cooperation.

While keeping this principle, the South Korean Government would carry out flexible but limited-scale economic cooperation with the North, he said.

In this connection, the official said, he was watching what kind of remarks Kim Tal-hyon made with regard to the nuclear issue during his visit.

South Korean officials are expected to watch closely the planned meeting July 24 between President No Tae-u and Kim Tal-hyon, who is understood to be carrying a message from North Korean President Kim Il-song.

South Korean Deputy Prime Minister Choe Kak-kyu, meanwhile, will reiterate his government's position on the nuclear issue when he holds another meeting with Kim in Seoul before Kim winds up his visit to the South.

No Tae-u Comments on Nuclear Issue, DPRK Ties

*SK2107051992 Seoul YONHAP in English
0502 GMT 21 Jul 92*

[Text] Seoul, July 21 (YONHAP)—President No Tae-u said Tuesday that the issue of North Korea's nuclear development was showing signs of settlement thanks to the cooperation among South Korea, the United States and Japan, and international pressure.

No, presiding over a meeting reviewing major policies at Chongwadae, said he was confident of progress in inter-Korean relations if Seoul was patient with Pyongyang. Cabinet ministers and senior presidential secretaries attended the meeting.

Stability and industrial competitiveness were better than six months earlier, and the government should put primary emphasis on reviving economic vitality while maintaining economic stability in the second half of the year, No said.

It was possible that stability might be shaken in the runup to the presidential election, but the government should maintain its stabilization guideline and keep the Korean economy on course for another leap forward, he said.

The president stressed the importance of fair elections and urged the ministers to make the best endeavor to prevent excessive electioneering.

In particular, No told them to fully prepare for a new government to take over.

No instructed Choe Kak-kyu, the deputy prime minister and economic planning minister, to make every effort for government agencies to keep prices stable and sharpen competitiveness.

He ordered Home Minister Yi Tong-ho to use the full might of the police to make life safer for the public.

Justice minister Kim Ki-chun was asked to deal resolutely and effectively with a rise in crimes by foreigners, particularly the sharp increase in drug trafficking and illegal immigration.

The participants reaffirmed the government's decision to push ahead with such mammoth projects as the high-speed railway between Seoul and Pusan, an international airport and mobile communications on schedule.

Yun Song-tae, the director of administrative coordination at the prime minister's office, reported that the government would resolutely crack down on disorder and slackness among civil servants before the presidential election.

Yun added that the government would soon work out measures to cope with international regulations on environmental protection that would result in worldwide industrial restructuring.

The government has selected 20 major tasks including price stability and energy conservation to be carried out in the second half of the year, he said.

Consumer prices went up 3.8 percent in the first half of the year, the lowest hike in the last three years, and land prices dropped for the first time since 1975, he said.

Results of Nuclear Committee Meeting Detailed

SK2107065392 Seoul KBS-1 Radio Network in Korean 0500 GMT 21 Jul 92

[Text] An official announcement on the result of today's meeting has not yet been made. However, at today's meeting the two sides failed to reach an agreement on the rules of nuclear inspection. In spite of our expectation that with North Korean Vice Premier Kim Tal-hyon's current visit to Seoul there would be an agreement in solving the nuclear issue at today's Joint Nuclear Control Committee [JNCC] meeting, no progress was made in the negotiations because the North side stubbornly adhered to its previous position which insisted on simultaneously solving the rules of inspection and an implementation agreement.

At today's meeting our side partially accepted the North side's position to conclude negotiations on the rules of inspection and an implementation agreement in a package deal. So, our side for the first time presented our draft implementation agreement on condition that rules of implementation be adopted and initiated.

However, the North side refused the draft implementation agreement our side presented, adhering to its previous implementation agreement and insisting that the rules of inspection and an implementation agreement should be discussed at the same time.

Our side stressed that substantial progress in North-South relations, including economic exchange and cooperation, cannot be expected without solving the nuclear issue and urged the North side to respond to the negotiations to adopt rules of nuclear inspection.

Along with this our side clarified again its position that the special inspection system which can inspect suspicious sites, including military bases, at any time is necessary without fail to effectively verify the denuclearization of the Korean peninsula.

The North side, however, presented its position to inspect U.S. bases in the South in a phased manner, instead of inspecting them in a simultaneous, overall manner. Thus, the North changed the principle of simultaneously dissolving suspicions to some extent. However, it still opposed our side's demand that the North side's military bases be included in the list of inspection sites.

Our side proposed that the eighth meeting be held in the near future. However, the North side proposed that the meeting be held on 31 August. In spite of Vice Premier Kim Tal-hyon's current visit to Seoul, the possibility of North-South negotiations to solve the nuclear issue seems to be very uncertain unless there is a political decision by the governments of both sides.

$528 Million Invested Abroad in First Half Year

SK2007133792 Seoul YONHAP in English 0745 GMT 20 Jul 92

[Text] Seoul, July 20 (YONHAP)—The government sanctioned 302 overseas investments valued at 528 million U.S. dollars in the first half of the year, 20.8 percent more investments than last year's 52 but 96 million dollars less, according to a Bank of Korea report released on monday.

The report related the increased number to active overseas investment by small- and medium-sized manufacturers, and the fall in value as a reflection of a 197 million-dollar investment by Yukong Ltd. in a North Yemen oil development project last year.

The nation recorded 2,276 overseas investments worth 5.21 billion dollars on a permit basis and 1,897 or 4.06 billon dollars on an investment basis as of the end of last month, it added.

Manufacturers were the top investors, accounting for 68.5 percent of the cases with 207 investments and 280 million dollars, followed by traders with 19.2 percent (58 cases), and fisheries firms with 5 percent (15 cases).

Manufacturers can be broken down to textiles and garments (70 cases and 70 million dollars), prefabricated metal and machinery (41 cases, 55 million dollars), and footwear and leather (22 cases, 17 million dollars).

Southeast Asia attracted 213 of the investments, or 70.5 percent, and 42.4 percent of the sum with 224 million dollars. Next with 39 cases and 138 million dollars was North America and Europe with 29 cases and 33 million dollars.

China was first among current and former communist countries with 108 cases and 85 million dollars, Vietnam was second with 10 (24 million dollars), the Commonwealth of Independent States third with seven (7 million dollars), and Poland, Czechoslovakia, Laos and Cambodia bringing up the rear with one investment each.

The increase in investment in China was due to the growing number of small domestic manufacturers seeking to take advantage of the country's relatively cheap labor force.

Technology Imports Plunge 25 Percent

SK2107035292 Seoul YONHAP in English 0304 GMT 21 Jul 92

[Text] Seoul, July 21 (YONHAP)—Imports of technology plunged 25 percent to 147 cases in January-April from 196 a year earlier, the Finance Ministry officials said Tuesday.

Royalties payment by the nation's businesses during the four months, meanwhile, totaled 327.2 million U.S. dollars, 12 percent less than the 373.1 million dollars the year before.

Imports of technology had constantly increased until the middle of last year, when they began to head downhill.

As business activities cooled down recently, Korean firms began to reduce their spending on facilities and the officials fingered this as the major reason for decreasing technology imports.

The decline partly reflects the fact that advanced countries are increasingly relunctant to transfer their newest technologies, they said.

Japan provided 66 items of technology during the period to be the biggest seller of technology, followed by the United States with 44.

Poland sold two technologies to Korea, and Hungary and the Commonwealth of Independent States (CIS) sold one each. More from CIS are expected in the future, officials said.

Electronics and electric technologies rated the biggest buys with 52, followed by 38 machinery technologies, 24 oil refining and chemical technologies, and six metal technologies.

But chemical technology imports dropped by a third to four in January-April from 12 in the same period last year, and those of foodstuff technologies fell to four from seven.

Kim Yong-sam Promises More Hi-Tech Investment

SK2107063592 Seoul YONHAP in English 0606 GMT 21 Jul 92

[Text] Seoul, July 21 (YONHAP)—Kim Yong-sam, executive chairman of the ruling Democratic Liberal Party, said Tuesday that if he is elected president in December he will increase investment in science and technology from 2.6 percent of the gross national product (GNP) to 5 percent.

Speaking at a breakfast meeting of the Korean Federation of Science and Technology Societies at the Lotte Hotel, Kim emphasized that intensive investment in promising fields was necessary to raise Korea's science and technology level to that of advanced nations in the next century.

Kim also promised that as president he would create an atmosphere in which technicians were revered, and reform the research establishment and the government support system so that scientists and technicians could exercise their full abilities.

Government Eases Export Restrictions

SK2107040292 Seoul THE KOREA TIMES in English 21 Jul 92 p 8

[Text] The Trade-Industry Ministry yesterday eased export restrictions on 33 products.

They include six kinds of wooden goods which will be automatically exported without government permission as in the past.

In the meantime, charcoal whose export has been prohibited will also be allowed to be automatically shipped without permission.

The ministry also named 25 items requiring government permission for export including footwear and textiles.

Specifically, footwear makers are obliged to require government approval for the export of their products to Australia, Singapore, Morocco, Panama and Mexico.

Textile exports to Canada are also subject to approval.

In the past, footwear and textiles were exported without any restrictions.

The control on their exports is aimed at preventing their flow into the United States through Australia, Singapore, Morocco, Panama, Mexico and Canada.

Shipments of fishing nets to countries excluding the United States and the 12-member European Community (EC) will be automatically approved. They had been subject to government permission for their export.

KOTRA Opens Trade Office in Vladivostok

SK2007155192 Seoul YONHAP in English 1155 GMT 20 Jul 92

[Text] Seoul, July 20 (YONHAP)—The Korean Trade Promotion Corp. (KOTRA) opened a trade office in Vladivostok, Russia, Monday, KOTRA announced.

The announcement said its Vladivostok office's work will be chiefly to extend support to Korean industries active in the Siberian area exploring mineral resources and markets there.

The KOTRA also said it would send a market survey team to the far east area of Russia toward the end of August to prepare for expected brisk trade between Korea and Russia's far east region.

Prosecutor's Office Still Tracing Embezzled Funds

SK2107040592 Seoul THE KOREA TIMES in English 21 Jul 92 p 3

[Text] The Seoul District Prosecutor's Office is still tracing the whereabouts of 2 billion won yet unaccounted for out of the 47.3 billion won a group of real estate brokers embezzled from First Life Insurance Company.

Until last Friday, the prosecutor's office determined how 44.3 billion won of the swindled money had been used by the brokers and over the weekend, prosecutors found how an additional 1 billion won had been used.

The prosecutor's office plans to announce the results of its investigation into the swindlers and the insurance firm staffers who promoted the purchase of the land now occupied by the Military Intelligence Command in Socho-tong, southern Seoul, around Thursday after determining how the remaining 2 billion won had been used.

Prosecutors said they found that Chong Tok-hyon, a section chief of the Citizens National Bank Apkujong Branch used 737 million won in purchasing an apartment in Suso-tong, an officetel and artifacts and jewels.

Among the 1 billion won whose use was unearthed over the weekend was 97 million won which Chong Kon-chung, chairman of Sung Moo Construction Co. and prime culprit of the scam, deposited at a bank as an installment of his time deposits.

Chong Myong-u, elder brother of Kon-chung who played a minor part in the spurious land deal, also used 80 million won to pay rent of his house, prosecutors said.

Prosecutors additionally found that Pak Sam-hwa, a broker who introduced Chong and his colleagues to Yun Song-sik, a senior executive of the insurance firm, received 430 million won, 130 million won more than what he had reportedly pocketed earlier, from the Sung Moo chairman. Pak is now on the wanted list.

Prosecutors traced 3 billion won worth of checks reportedly handed over to Kwak Su-yol, a broker who played a go-between role in the land scam, and found that of the money, 1.4 billion won went to Min Yong-chun, a swindler who passed himself off as a presidential secretary, and 100 million won to Sin Chun-su, a minor actor in the land fraud.

Prosecution investigators and police are in hot pursuit of Min, an ex-convict who moved from a squalid one-room rented house in Sihung-tong, southern Seoul, to a plush apartment in Tunchon-tong last March.

According to his neighbors, Min disposed of his old Pony Excel subcompact and bought a deluxe Grandeur sedan at that time. He had reportedly played an important role in bringing together Kim Yong-ho, a former civilian employee of the Joint Chiefs of Staff Headquarters who disguised himself as an official seller of the military land in proxy of the defense minister, and the Sung Moo staffers.

Meanwhile, prosecutors found that Kim In-su, Kim Yong-ho's aide who represented Myonghwa Construction Co., a land swindling arm, had embezzled 1.5 billion won in a real estate swindling case separate from the military land fraud.

Kim and his aide Chon Il-to passed themselves off as government officials in charge of disposing of state-owned land and defrauded a staffer of a hospital in Songnam, Kyonggi-to, suggesting to him that they could change the zoning of a plot of woodland near the city south of Seoul.

DP Wants Ex-Defense Minister Investigated

SK2107025892 Seoul THE KOREA HERALD in English 21 Jul 92 p 2

[Text] The main opposition Democratic Party [DP] yesterday demanded that the prosecution investigate former Defense Minister Yi Chong-ku to find out whether he was involved in the land swindle.

The party at the same time called on incumbent Defense Minister Choe Sae-chang to resign, holding himself accountable for the recent land swindle allegedly engineered by a retired Army colonel.

In a statement, the DP charged that Yi Chong-ku suddenly called off the plan to sell the controversial Socho-tong land owned by the Army Intelligence Command when he headed the Defense Ministry, reportedly without gaining approval from the President.

The party said Yi is the very person who pushed for the sale of the plot.

Yi has recently denied any involvement in the land scam.

But the No. 1 opposition party claimed that Yi was involved and that a thorough probe is a must.

The opposition party has been conducting its own investigation of the affair which the prosecution alleges is a simple land scam.

The DP, however, has alleged that slush funds might have been forwarded to the ruling party for the March parliamentary election campaigns.

Relationships Between DLP, UPP, DP Examined

SK2107041392 Seoul THE KOREA TIMES in English 21 Jul 92 p 2

[By staff reporter Kim Chang-yong]

[Text] The Democratic Party, which had attempted to sway the political scene in alliance with the United People's Party [UPP], is left alone as the second opposition group is rejecting its initiative and moving closer to the ruling Democratic Liberal Party [DLP] for the cause of opening the legislature.

While the DP [Democratic Party] is reaffirming its boycott of the ongoing National Assembly session unless the ruling camp ensures local government elections by the end of this year, the UPP is likely to declare its participation today in a departure from its previous stand of taking joint steps with the main opposition party.

The leaders of the DLP and the UPP will hold their first formal meeting this afternoon to agree to attend the inaugural session which has so far been on hold due to discord among the three parliamentary caucuses over the timetable of the mayoral and gubernatorial elections.

UPP chairman Chong Chu-yong, refusing DP leader Kim Tae-chung's dominance of the opposition front, proposed a meeting with Kim Yong-sam of the DLP last week in yet another bid of his own to enhance the say of his party and exercise the deciding vote in case of conflicts between the two larger parties in the House.

At the end of a party executive meeting yesterday, DP floor leader Yi Chol determined that a gentleman's accord on opposition cooperation between Kim Tae-chung and Chong has became invalid as "the UPP has violated its duty of informing us of its shift of position before arranging the talk with the DLP chairman."

Kim Tae-chung also remained adamant about the holding of the local elections no later than the presidential vote, which he usually describes as a "prerequisite" to a win by an opposition contender in the December vote.

The Democratic Party leadership, however, seemed in a dilemma, political analysts viewed.

No option but the boycott of the Assembly inaugural sitting is open for the 96-member party to force the ruling camp to scrap its decision to delay the local elections till after September 1995, Yi Chol told reporters.

But the DP may become the sole target of increasingly bitter public criticism, hitherto poured on opposition parties for their absence from the 299-seat House at a time of economic downturn and poor living conditions, when the 32-member UPP attends along with the majority ruling party with 159 members.

There are many people who blame the No Tae-u administration and his DLP for the failure to call the local government elections by June, the deadline set by the relevant laws.

Meanwhile, there are also quite a few people unsatisfied with the oppositionists' rigid posture of turning down parliamentary debates without any compromise on the schedule for the elections, as seen in a recent opinion poll conducted by the UPP which resulted in the third party's about-face.

DP co-chairman Yi Ki-taek indicated room for bargaining and participation in the House session Sunday, given a certain amount of face-saving measures.

After a hasty talk with his merger partner, Kim Tae-chung ruled out the possibility of his party's turnaround as far as the crucial matter of the election rescheduling is concerned. Yi Ki-taek also explained in the executive meeting that he was quoted "out of context," according to Yi Chol.

Yet the holding of elections for the six special-city mayors and nine provincial governors this year, separate from elections for the chiefs of small administration offices in a few years is the bottom line for the DP's negotiation, if any with the ruling camp, DP insiders said.

The DP's hard-line attitude contradicts a "new D-J (Tae-chung) plan," an ambitious project with which the second largest party is pushing ahead to refurbish Kim Tae-chung's image, badly tarnished by his authoritarianism in the past, and make him seem much more friendly.

The DP is more concerned over the emerging signs of the billionaire-backed UPP acting as a semi-government party and furthermore the probability of Chong withdrawing from the presidential race to back Kim Yong-sam in the final stage to save his Hyundai business group.

The different stances of the three parties have actually derived from their different strategies for the coming presidential elections.

Kim Yong-sam, whose ability to run the state and the legislature as the government party leader is being put to the test, is trying hard to attract his political opponents to the House first of all and portray himself as more qualified than his opposition rivals.

Poll Shows Students Seek Change in Chondaehyop

SK2107070892 Seoul HANGYORE SINMUN in Korean 19 Jul 92 p 14

[Text] A large number of "student activists" in our country think the National Council of University Student Representatives [Chondaehyop] should change its methods of operation in order to gain support from the people.

Most student activists said they thought that because the Chondaehyop has been run mainly by central cadre staffs, it does not reflect the will of ordinary students.

The Chondaehyop (chairman: Tae Chae-chun, president of the General Student Council of the Seoul National University) conducted an opinion survey by questionnaire of 1,700 freshman and sophomore students who attended the inaugural ceremony of the Sixth Chondaehyop held at Hanyang University on 30 May. The Chondaehyop on 8 July announced the results of the poll based on a sampling of 200 questionnaires, representing a cross section of the country.

Our attention is focused on the opinion survey because it is the first official survey about the Chondaehyop's current status and its future. The survey was conducted among students who participate in student movements.

Asked "what do you think of the people's reaction to Chondaehyop's various struggles," 28.5 percent of the respondents said that although people think struggle is desireable, they do not want to participate in it personally; 28 percent said it is necessary for Chondaehyop to adopt a new movement method for the people's participation; and 24.5 percent said the level of antagonism against the Democratic Liberal Party is very high. Thus, a large number of students think that students should try to gain support from the people.

As for the lesson from "the assault on Prime Minister Chong Won-sik" last year," 44 percent of the respondents said that "to gain support from the people, the methods of the student movement should be persuasive." Most students agreed that they should refrain from resorting to methods contrary to the people's feelings. As for the method of the operation of Chondaehyop, 31.5 percent said Chondaehyop actively reflects the will of students in general; 30.5 percent said it is operated mainly for the cadre staffs; and 23.5 percent said its operation is aloof from them. It is therefore urgent to popularize and democratize the organization.

Regarding participation in Chondaehyop meetings, 57 percent said they had participated in an earlier Chondaehyop inaugural ceremony; 17.5 percent had participated in meetings related to the lawmakers general elections on 24 March; and five percent had participated in Chondaehyop general meetings. A relatively large number of students participated in the Chondaehyop inaugural ceremony.

Brunei, Malaysia & Singapore

Malaysia

Commentary Previews ASEAN Ministerial Meeting

BK1807135492 Kuala Lumpur Voice of Malaysia in English 0800 GMT 18 Jul 92

[Station commentary]

[Text] ASEAN is in its 25th year of existence and with the Visit ASEAN Year now in progress, the Annual Ministerial Meeting, or AMM, of the association to be held in the Philippine capital, Manila, next week takes on added significance. Senior officials of the six member states are currently meeting to prepare the groundwork and work out the agenda for the AMM which begins next Tuesday, to be followed by the post ministerial conference with ASEAN's seven dialogue partners.

There are [words indistinct] that will come in for discussions at the 25th AMM. They include among others regional security, the ASEAN Free Trade Area or AFTA, and the East Asia Economic Caucus, EAEC, proposal. The question of regional security is expected to be tough and [word indistinct]. This is in view of fresh concern that has arisen as a result of overlapping claims by a number of countries over the Spratly Islands, which lie some 320 kms off the East Malaysian state of Sabah. The claimants are China, Vietnam, Taiwan, and three of the ASEAN nations, namely Malaysia, Brunei, and the Philippines.

While there are fears in some quarters that conflict may break out because of the [words indistinct], Malaysia has constantly expressed its hope and desire that the whole issue will be resolved amicably through peaceful dialogue, not by the use of force. Also related to the security issue is the impasse on the implementation of the Cambodian peace accord. The Khmer Rouge (?is still) reluctant in complying with the second phase of the treaty, such as in the demobilization of the four armies of the former warring factions. The invitation to the head of the UN Transitional Authority in Cambodia, UNTAC, Mr. Yasushi Akashi, to attend the AMM indicates that the Cambodian issue will be given due attention in Manila. This is only to be expected since it was ASEAN that has spearheaded efforts toward resolving the Cambodian conflict.

The AFTA program, which was ratified by the ASEAN heads of government in their summit in Singapore in January, will also occupy the attention of the AMM. All six member states will be submitting their proposal to be incorporated into this program, which is scheduled to take off on [date indistinct]. Under AFTA and its main mechanism, common effective preferential tariff says 15 categories of ASEAN products have been identified for a gradual tariff reduction over the next 15 years.

There was some concern over reports that Thailand, which had made the AFTA proposal, might after all delay in the implementation of the tariff cut as its companies had expressed a lack of preparedness to compete with the products of the other ASEAN countries. However, with Anan Panyarachun's appointment as prime minister, there is fresh hope that AFTA will go ahead on schedule.

Malaysia will be hoping that its EAEC proposal, which was endorsed in principle by the ASEAN summit in January, will [word indistinct] progress at the AMM. The earlier the concept becomes a reality, the sooner will the nations in this region be able to speak with one voice at international forums on political and economic issues.

Singapore

Goh To Lead Delegation to Nonaligned Summit

BK2007154692 Singapore Singapore Broadcasting Corporation in English 1400 GMT 14 Jul 92

[Text] The prime minister, Mr. Goh Chok Tong, has accepted an invitation from President Suharto to attend the summit of the Nonaligned Movement. The personal invitation from President Suharto was conveyed by the Indonesia Minister for Industry, Mr. Hartarto, when he called on Mr. Goh this afternoon.

Mr. Goh will lead the Singapore delegation to the summit to be held from the first to the sixth of September in Jakarta.

Earlier today, Mr. Hartarto called on the foreign minister Mr. Wong Kan Seng. Mr. Hartarto will call on Deputy Prime Minister and Trade and Industry Minister Brigadier General Lee Hsieng Loong tomorrow before leaving for home.

Cambodia

Hun Sen on Implementing Peace Accord

BK2007124192 Phnom Penh SPK in English 1102 GMT 20 Jul 92

[Text] Phnom Penh SPK July 20—Recently Cambodian Prime Minister Hun Sen said that the international community should lend their help to parties who had seriously cooperated with the U.N. peacekeeping forces in Cambodia so as to enable them to fully implement the Paris peace accords.

Speaking to a Japanese delegation led by Sakutaro Tanino, a senior Foreign Ministry official who was on a two-day fact-finding mission in Cambodia, Hun Sen expressed his belief that the Paris agreements could be implemented and elections could be held next year as scheduled, even though there were still some obstacles created by the Khmer Rouge.

Sakutaro Tanino arrived here on July 18 from Bangkok, where he had met with Khmer Rouge leaders in a bid to convince them to comply with the agreements. During his stay there, he also had talks with Thai officials.

Khmer Rouge has still refused to go along with phase two launched early last month by the UN Transitional Authority in Cambodia (UNTAC) as they demanded that the Phnom Penh Government be dissolved before their participation.

He informed the Japanese guests of the development in implementing the Paris accord which, he said, the party of the State of Cambodia had strictly abode by.

He also spoke of the result of recent SNC [Cambodia's Supreme National Council] meetings, the cease-fire violations by Khmer Rouge, and some possible means to put sanctions against Khmer Rouge.

"We have no intention to eliminate the Khmer Rouge," he said, however the election could be held in two possible ways with or without Khmer Rouge participation. Referring to the sending of Japanese to join the UN peacekeeping forces in Cambodia he said they should be dispatched as planned because "the Paris peace plan would never collapse."

"The implementation of the accord could be a 95 percent success even if the Khmer Rouge do not participate but 100 percent if they take part."

Mr. Sakutaro Tanino informed Prime Minister Hun Sen of the result of his meeting with Khmer Rouge leaders and Thai officials in Bangkok.

He said he had told them that the international community got more increasingly disappointed with the Party of Democratic Kampuchea for their non-cooperation in the Cambodian peace process.

"I and my colleagues have tried to persuade Khieu Samphan, telling him that if such a situation continues to exist the UN Security Council will make decision against the Khmer Rouge, possibly including their elimination from the process of Cambodia's national reconciliation," he said.

He said he was leaving Bangkok with disappointment because, according to him, Khieu Samphan remains as he is, a smiling Khieu Samphan with no sign of positive changing.

Foreign Ministry Denies Asking for ROK Troops

BK2007113492 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1100 GMT 20 Jul 92

["Statement by the spokesman of the Foreign Ministry"; read by announcer]

[Text] According to reports by REUTER and THE NATION dated 18 July 1992, during talks with a South Korean diplomat last month Prime Minister Hun Sen proposed that Seoul dispatch troops to Cambodia.

The spokesman of the Foreign Ministry categorically rejects these unfounded reports.

[Dated] Phnom Penh, 20 July 1992.

Dissident Ung Phan Joins Sihanouk Loyalists

BK1807030692 Hong Kong AFP in English 0245 GMT 18 Jul 92

[by Sheri Prasso]

[Text] Phnom Penh, July 18 (AFP)—Cambodia's premier dissident, who has survived imprisonment and an assassination attempt, has formally joined the political party loyal to Prince Norodom Sihanouk.

Ung Phan, who according to political sources made the decision to join FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] in early June, made his formal announcement late Friday.

"Ung Phan was the first Cambodian ever ... who dared to quit a communist party and to set up a liberal party," said FUNCINPEC head Prince Norodom Ranariddh, the son of Supreme National Council chairman Prince Sihanouk, at a signing ceremony.

"He has got my admiration," Ranariddh said.

The dissident was having trouble attracting members to his own Liberal Social Democratic Party following an assassination attempt in January, political sources said.

Drive-by gunmen shot him four times in the neck and shoulders.

In a series of interviews earlier this year, he recounted stories of harassment and intimidation of his party members and said he feared for his life.

His closest friend and adviser died of a head wound in mysterious circumstances in March.

Without blaming them directly, Ung Phan implicated hardliners in the Phnom Penh regime, which only recently adopted multi-party democratic reforms.

He said Friday he knew the identities of his attackers, but would reveal them only after the elections scheduled to be held under U.N. supervision in May 1993.

Ranariddh said the dissident had been offered the post of vice president of his party, but he had refused and opted instead to become a special adviser.

He was asked to observe at SNC meetings on behalf of FUNCINPEC, which has one seat on the reconciliation body held by Ranariddh.

Ung Phan was jailed for 17 months from May 1990 after trying to set up his own political party in a one-party communist state.

"We realized communism is not the way for developing Cambodia," said the dissident, who persisted in calling Phnom Penh government leaders members of a "communist-style party."

Ung Phan refused to say how many followers he was bringing to FUNCINPEC, but Ranariddh said his party had 35,000 supporters in the capital alone.

He said 400 to 500 Cambodians were coming into the downtown FUNCINPEC office daily to apply for membership.

Ung Phan has had a close friendship with Phnom Penh Prime Minister Hun Sen for years, but the dissident said it was not a factor in his taking up the opposition.

"Friendship is one thing; politics is another," he said, noting that he did not discuss the issue with the prime minister.

"Hun Sen is following the communist path," he said.

FUNCINPEC Communique on Ung Phan

BK2107022292 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 20 Jul 92

["Unofficial translation of FUNCINPEC communique in Phnom Penh"; date not given—read by announcer]

[Text] Communique: Historic, significant event for FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia].

Following the signing of the agreement on the Liberal Social Democratic Party [LSDP] joining FUNCINPEC on 17 July 1992, Prince Norodom Ranariddh, head of FUNCINPEC, and His Excellency [H.E.] Ung Phan answered many questions raised by national and international journalists.

The FUNCINPEC leader, Prince Norodom Ranariddh, praised H.E. Ung Phan regarding him as the first Cambodian patriot who dared to set up a liberal party in May 1990 prior to the presence of the UN Transitional Authority, or UNTAC, in Cambodia.

The LSDP's joining with FUNCINPEC will consolidate the latter's political capability and its efficiency for the elections in Cambodia to be held in early 1993. Prince Norodom Ranariddh and H.E. Ung Phan expressed their belief that FUNCINPEC would win in the coming elections.

H.E. Ung Phan answered many questions from the press and said that he had been living under the communist regime for 20 years and realized that the communist system was not a good way to develop Cambodia. He said that this was the main reason for him seeking another political line suitable for the Cambodian people and that, after lengthy consideration, he decided to join FUNCINPEC.

At 1800 [1100 GMT] on 17 July 1992, a large group of ambassadors and UNTAC officials, especially H.E. Behrooz Sadry, assistant to the special representative of the UN secretary general, attended a get-together to welcome the introduction of liberal democracy in Cambodia which is a condition for a free and fair election in Cambodia to be organized and supervised by UNTAC in early 1993. The presence of these diplomats and UNTAC officials is clear evidence of the great moral support for the process to reconcile the Cambodian nation.

Radio Says SRV Soldiers Fired on UN Aircraft

BK1907041292 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 18 Jul 92

[From the "News briefs feature"]

[Excerpt] Recent reports from Kompong Speu Province say on 7 July at 1430, a helicopter of the UN Transitional Authority in Cambodia flew over the place where Vietnamese soldiers and Vietnam's puppet troops are stationed, eight km south of Choam Sangke commune office in Phnum Sruoch District, Kompong Speu Province.

The reports also say that people saw with their own eyes four Vietnamese aggressor soldiers, wearing the puppet troops' uniforms and hiding in units of Vietnam's puppet troops, raising their guns and opening fire at this UN helicopter. The people who witnessed this say that Vietnamese officers ordered their men to fire on the UN helicopter and used this a pretext to accuse and blame the resistance forces. The fact is that the place at which the helicopter was fired on is inside the area controlled by Vietnamese aggressor soldiers and Vietnam's puppet troops. [passage omitted]

UN Peacekeepers Threaten To Leave Over Pay

BK2107053492 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 20 Jul 92

[Text] According to reports from foreign news agencies in Phnom Penh, on 11 July, members of a battalion of 595 Bulgarian troops taking part in the UN peacekeeping force in Cambodia said that they would leave Cambodia and return home if they did not get their full salary and enough food allowance by 23 July 1992. These troops said that if they were not given their full monthly salary of $980, they would end their contract and return home. A noncommissioned officer said that they have received less than half of their salary. Each month, they lost 548 dollars and the supply of food has seriously dwindled. Moreover, they were assigned to take positions in difficult terrain.

Another report said that Russian helicopter pilots also complained that they received only half of their monthly salary. They threatened to stop flying the helicopters if they were not paid in full.

Khmer Rouge Denies Attacking Temple in Siem Reap

BK2107004292 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 20 Jul 92

["Denial of the Party of Democratic Kampuchea concerning false report that the National Army of Democratic Kampuchea shelled a temple at a place 20 kilometers north of Siem Reap town;" date not given—read by announcer]

[Text] A spokesman of the UN Transitional Authority in Cambodia [UNTAC] publicized an untrue report saying that on 18 July 1992, the National Army of Democratic Kampuchea [NADK] shelled a temple near Don Kev village 20 km north of Siem Reap town, killing a monk and wounding three others.

The Party of Democratic Kampuchea totally rejects this untrue report and would like to emphasize the following:

1. The Yuon [derogatory term for Vietnamese] aggressors and their puppets destroyed the above-mentioned village and temple, causing the people there to flee from this village to live in starvation for the past several years. After that the Yuon and their puppets moved in and used the hall of this temple as their base. From this base, they kept launching operations to rob the people and steal their farm animals.

2. The people and guerrillas who were very angry with the Yuon aggressors and their puppets ambushed them in an area north of the temple, killing or wounding some of them.

This is the fact. Therefore, the UNTAC spokesman's report that the NADK attacked monks was untrue.

The people in Puok, Varin, and Srei Snam Districts as well as the people at the temple in Siem Reap are well aware of this fact. They can serve as the on-site witness.

More Khmer Rouge Cease-Fire Violations Reported

BK2007133492 Phnom Penh SPK in English 1056 GMT 20 Jul 92

[Text] Phnom Penh SPK July 20—In the second week of July about 30 Khmer Rouge elements in Division 801 infiltrated into the district of Kaoh Sotin, Kompong Cham Province, 120 km northeast of Phnom Penh, setting ablaze a police station, destroying one house, killing one person and four head of cattle.

At the same time another Khmer Rouge group of seven men from the same division robbed the people in Ponlech Svay village, the same district, of 100,000 riels (Cambodian currency) and deprived one militiaman of his rifle.

In Kang Meas District of the same province 22 Khmer Rouge from Division 417 attacked the self-defence unit of Roka Kong Sub-District during which they set one school building on fire.

Khmer Rouge is one of four Cambodian warring factions which signed the Paris peace accords in October last year to formally end the civil war in the country.

However, they still refuse to comply with the accords by having, since then, conducted a series of attacks against the position of armed forces of the State of Cambodia, a party which signed and has seriously complied with the accords.

Ranariddh Discusses 8 Jul SNC Meeting

BK2007103192 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 20 Jul 92

[Interview with Prince Norodom Ranariddh, chairman of the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia, and member of the Cambodian Supreme National Council, by unidentified station correspondent concerning the outcome of the 8 July Supreme National Council meeting; date, place of interview not given—recorded]

[Text] [Correspondent] I am a correspondent from Voice of the Khmer [VOK] radio. Greetings to Prince Norodom Ranariddh, chairman of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and member of the Cambodian Supreme National Council [SNC].

First of all, I would like to thank the prince chairman for granting this interview. On 8 July you attended the SNC meeting in Phnom Penh. Would you please talk about this meeting and its outcome.

[Ranariddh] Concerning the outcome of the 8 July session of the SNC, held under the lofty chairmanship of our prince father and Yasushi Akashi, special representative of the UN secretary general, there were no developments at it that could be considered progress in the peace process. There were two major items on the meeting's agenda: The situation regarding the peace agreement's implementation, and development of the so-called second phase of the cease-fire.

Concerning the first item, in his report Akashi first expressed some hope. He said that although one party has not yet implemented troop cantonment, disarming, and demobilization, three parties have done so. Second, mineclearing has also made some progess. There are plans to accelerate mineclearing operations with the United States, which is providing aid worth $200 million. Third, Akashi said the repatriation of Cambodian compatriots from camps has also made progress; this process is continuing.

However, as you know, concerning the second item—troop cantonment, disarmament, and demobilization—one party, namely the Party of Democratic Kampuchea [PDK], has raised two major points: control of the withdrawal of foreign armed forces, that is, Vietnamese armed forces in Cambodia. This is a major point. I made clear our FUNCINPEC stance on this issue in an interview which VOK has already broadcast. Thus, compatriot listeners, please refer to that interview and you will know FUNCINPEC's clear stance on this vital issue.

The second point raised by the PDK, which we also support, concerns the SNC, which the accord clearly says is the sole source of power in Cambodia and the only legitimate body in Cambodia. Raising these two points is correct because these points affect not only the concrete and faithful implementation of the agreement but also Cambodia's future and survival.

The FUNCINPEC party, through me, clearly recognizes that these two points should be somehow solved. I would like to again and again stress that although we hold that these two points are important and vital and should be resolved, we think the peace process should proceed in accordance with the agreement. We will continue to insist that these points be resolved before the elections because otherwise the elections cannot be free and fair. Therefore, these points must be resolved.

However, the cantonment and disarming of all Cambodian parties, like the troop withdrawal, is also a major point. If Cambodian armed forces still possess weapons, they can use these weapons to oppress people and deprive the latter of their freedom of expression during the elections in May 1993. For this reason, we agree that the second phase should proceed while we still demand that the two vital points be resolved.

On this point I would like to specify that Yasushi Akashi has promised that control will not be exercised only on the five ministries but also on the civil administration—that is, control over the civil administration of all Cambodian parties. This will be speedily done because the issues of human rights, human rights violations, and oppression of the people, as well as members of our FUNCINPEC party, by the so-called State of Cambodia and the Cambodian People's Party [CPP] still exist.

We have persistently and insistently asked the UN Transitional Authority in Cambodia [UNTAC] to send its representatives to provinces, which it has already done—14 provinces altogether. We have also demanded that the civilian police of the State of Cambodia be disarmed. If this is not done, there will be no guarantee for the UN-organized elections—which are supposed to be free and fair—in other words, in a genuinely neutral atmosphere. This is FUNCINPEC's stance. This is the result, in brief, of the first point.

Concerning the cantonment, disarming, and demobilization of troops, the PDK has said that if the two major points are not resolved, the peace process will not move forward. We would like to stress that we agree that these are vital points, while at the same time we think that the peace process should proceed because if this peace plan fails and UNTAC leaves, there will be no guarantee for our nation's survival and there will be no elections. Without elections, our compatriots—who want to express their opposition to the regime, which is selling off the nation, and the corruption and injustice of the regime, which has called on foreigners to oppress the nation—will have no opportunity to express their views.

The second point concerns the so-called [words indistinct] document, which was established in Tokyo, whose aim is to concretely solve some major points which agree with the accord. On this issue, FUNCINPEC on 2 January issued a statement clearly saying that, first, we support UNTAC and its military plan; and second, we accept this document unconditionally. On that occasion, the prince father also specified that he fully supports this document. The PDK again raises the same points, and particularly in this document, which is intricately linked to the point on the SNC and its role. The PDK still says that if the SNC issue is not resolved, it will not accept this document.

On this point, like on the other point, we think that the issues raised by the PDK are correct. However, if more problems are created, we are concerned that the peace process will not move forward. Each day the United Nations spends $6 million. For how many more months and years will the United Nations have this money? For this reason, we again and again stress that we will continue to raise the issues—I, Norodom Ranariddh, will continue to raise these issues because they are vital ones—but the peace process should speedily move toward elections.

[Correspondent] Another issue the PDK has also raised, coupled with the two you have mentioned, is the proposal to dissolve both sides' governments, particularly the State of Cambodia's Government, so that UNTAC and the SNC can carry out their mandate effectively. What are your views on this?

[Ranariddh] On this issue, before answering your question, I would like to specify our stance on the proposal by some parties calling for economic or political sanctions against the Khmer Rouge. I think that Cambodia's problem is one of loyalty to the nation and whether we want national reconciliation or not. If the Khmer Rouge create obstacles to destroy the agreement, I think national opinion will be the first to condemn the PDK before any other so-called patriots demand it. Wait until 1993, or even in 1992, and we will see.

We do not want to talk about this before the United Nations does. According to the agreement, there is a point saying clearly that if any party threatens, betrays, or violates the agreement, the cochairmen, Indonesia and France, will discuss and decide on this. The United Nations—that is, the UN Security Council [UNSC]—has a duty to consider this. Thus, in my view, Ranariddh should not talk about this. We should leave this to those in charge, as stipulated in the agreement—namely, Indonesia and France the cochairmen—and the UN secretary general, to recommend to the UNSC.

Therefore, we have to wait for the competent authority to decide. Whatever decision is made, I, Norodom Ranariddh will go along. However, I think that if we

Cambodians can agree on Cambodia's problems, it will be (?better). The prince father again and again proposed in Tokyo that we set up a quadripartite government under the samdech's leadership. There is no way the Khmer Rouge could have got out of this four-party government. But Hun Sen categorically opposed this in front of Akashi and other leaders. I agree with the prince. If we do as he proposes, we Cambodians can solve this without foreigners' intervention in Cambodia's problems. What can we do since one party did not agree? This is connected to the proposal of the PDK.

I would like to stress that if we discuss dissolving or eliminating a state, that is wrong because—and I stress—the agreement avoids talking about dissolving a state. When talking about a state, the agreement is referring to the Cambodian national government, which is a government—that is, the former tripartite coalition government. We hold that after 23 October 1991 there should not be any other legitimate government apart from the SNC. This is why we have dissolved our regime. This shows the tripartite resistance movement's respect for the agreement. The State of Cambodia has not dissolved its government because it argues that the agreement does not talk about this dissolution. However, I would like to stress that although the agreement does not talk about dissolving this government, it does say that the only legitimate body is the SNC. The SNC embodies Cambodia's sovereignty and represents Cambodia abroad. The SNC is the sole source of power.

Along with this, the SNC—being the sole source of power—has temporarily deferred this state authority to the United Nations in order to implement the agreement. This means that apart from the SNC, there is no other government when it comes to implementing the agreement.

The accord also talks about existing administrative structures. This means the existing administrative networks or structures. I myself have studied some law. In France, law schools teach that there is constitutional law—that is, state law—which is connected to the government, which is a political structure. Another separate law is administrative law. If we say that the existing administrative structures also mean the government, there is no need to have constitutional law dealing with government as opposed to administrative law. Therefore, I would like to ask that France review its law, combining administrative law and constitutional law together if these two are the same.

In my view, we should look at the agreement and correctly interpret it. The agreement talks about administrative structures and about the SNC as the only source of power. What does this mean? It means that the source of power to lead Cambodia is the SNC and UNTAC, the UN Transitional Authority in Cambodia, represented by His Excellency [H.E.] Akashi. There should be close cooperation between these two bodies. With this cooperation, decisions are made and then passed on to the existing administrative structures of the four parties for joint implementation. If there is no SNC consensus, UNTAC will implement these decisions. This is the stance in accordance with the agreement. This does not mean that I support the PDK stance. But I am a legal person. In my judgment, although the agreement does not talk about dissolving a state—and because there is UNTAC and the SNC—the power is already removed from that state.

When the agreement specifies the existence of legitimate administrative authority or structures, this means that within each party there exist only administrations and not governments. This is not an interpretation. I hold that this is a correct determination in accordance with the letter of the agreement. Others might say that this is not correct and that there should be this or that. Some foreigners have said that their countries send diplomats to be accredited to the SNC and not the State of Cambodia. This is very correct. However, the fact is that a state still exists with H.E. Heng Samrin as head of state, a prime minister, and ministers. In my view, this is not right.

I would like to finally stress that if we read the agreement and the report of the UN secretary general, these two documents in hundreds of pages fail to talk even once about a government. This means that before elections, no government in Cambodia is recognized.

On our part, we would like to again and again stress that we have already dissolved our government. It should also be stressed that our government has represented Cambodia at the United Nations for many years, up to 23 October 1991 when the SNC replaced the tripartite national government of Cambodia. We cannot say anything. We hold that this is correct. Therefore, if we Cambodians respect the agreement and if we do not want all power, we ought to solve the problem this way. We do not think that this or that chief of service will be removed. Everyone remains and furthermore becomes part of the United Nations. Only ministers and deputy ministers should be removed; they should not be there because it is against the agreement. This is only an opinion.

If you say that this opinion is like that of the Khmer Rouge, so be it. However, I would like to inform you that Ranariddh has never served Pol Pot. Please be careful in your analysis. In the past I have never sided with or served Pol Pot. There are those who have done so with their hands stained with Cambodian blood and yet pretended otherwise. As for Ranariddh, never. What can we do? As we study the agreement, we realize it should be this way. If the PDK thinks the same, what can I do? As far as support is concerned, no, I have not provided support. I would like to make this clear. As a concrete example, the PDK says that if this is done, we say that even without this we will continue to move forward. This is very different from the PDK's stance.

However, concerning the vital issues, compatriots please understand the Vietnamese issue. It is repeated that no Vietnamese troops have been found. The agreement does not talk about troops; it talks about all types of armed forces. This means that even armed civilians are not allowed. Where can I find those in uniform? The agreement talks about experts. There are no military experts, comes the reply. The agreement does not talk about military experts. The agreement says that there should be no civilian and military experts in Cambodia. Please do refer to the agreement.

Concerning settlers. We do not accept this. We will protest. We have received information that the State of Cambodia has issued identity cards, some are even sold—tens of thousands of them. Therefore, we continue to demand that the United Nations take measures, first, on the so-called Vietnamese expert forces in Phnom Penh, and so on, as stated in the agreement. Second, the settlers issue. If we allow Vietnamese settlers to vote, it will not be a fair election. With the presence of Vietnamese forces, there will be no freedom in the election. If Vietnamese settlers are allowed to vote, there will be no justice. The election should be free and fair. We can see that if these two points are not solved before the election, the election certainly cannot be free and fair.

This is a clarification I would like to make to you in my name as chairman of FUNCINPEC, the offspring of our prince father, who has risen to become a hero to unite the nation and done so as a neutral person. He has handed over the future of FUNCINPEC to me. He has set up this party. He used to say that this is his own child. Thus, FUNCINPEC is a Sihanoukist party, an offspring of our prince father. There is no other party. He has moved on as it is his mission and duty to be neutral to reconcile the Cambodian nation. He has kindly given me, his offspring, the great honor of leading FUNCINPEC.

[Correspondent] On behalf of VOK, I would like to express most profound thanks to the prince chairman for talking in detail to Cambodian compatriots and listeners about the result of the SNC meeting and implementation of the peace agreement in Cambodia.

Laos

UN Measures To Punish Khmer Rouge Viewed

BK2007144392 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 20 Jul 92

[PASASON 20 July commentary: "The United Nations and Punishment of the Khmer Rouge"]

[Text] According to foreign reports, the UN Security Council will convene a session this week to discuss measures to punish the Khmer Rouge for refusing to implement the UN peace plan in Cambodia. Yasushi Akashi, head of the UN Transitional Authority in Cambodia, or UNTAC, announced this decision of the UN Security Council to the press.

The UN has repeatedly received calls to adhere to a drastic stand in dealing with the Khmer Rouge, who have committed more and more serious violations against the cease-fire in Cambodia. The Khmer Rouge have frequently committed numerous violations against the cease-fire in Cambodia since its implementation in May. In the latest violation, they launched attacks against two important towns in Kompong Thom, an important province north of Phnom Penh. They launched mortar attacks against the districts from the northern border of the province. Latest reports say six villages in the province have now been taken over by the Khmer Rouge.

The Phnom Penh Government has called on the UN peacekeeping forces to ultimately exert their peacekeeping role in dealing with the incident. The UN has voiced full support to the Phnom Penh Government's call. Lieutenant General John Sanderson, commander of the UN peacekeepers, said the fighting put the cease-fire accord in jeopardy. It has been reported that the UN has already lodged a protest note to the Khmer Rouge, warning them that a serious problem will arise if the UN peacekeeping forces are placed in danger.

Many observers have noted that in launching these attacks, the Khmer Rouge are trying to gain more political influence by seizing areas under the control of the Phnom Penh Government. The Khmer Rouge have refused to implement the second vital phase of the Paris peace accord until the Phnom Penh Government tenders its resignation. This is but a pretext made by the Khmer Rouge in refusing to cooperate with the implementation of the UN peace program.

Hor Namhong, foreign minister of the State of Cambodia, called on the UN to change its role from being the peacekeepers into the enforcer and supervisor of peace. The foreign minister also pointed out that the world body has no other choice. In the past, the Hun Sen government has repeatedly called on the international community to impose sanctions against the Khmer Rouge, for example by freezing their assets and blockading communication routes with them. That call received endorsement from senior UN authorities. General Michel Loridon, deputy commander of the UN peacekeeping forces, told a magazine that he preferred to use direct measures against the Khmer Rouge.

The UN Security Council is now considering punishment of the Khmer Rouge. But in practice, to what extent can it achieve this goal? This is a question awaiting an answer.

The freezing of Khmer Rouge assets can be carried out by seizing fat foreign bank accounts of Khmer Rouge generals, who have accumulated their wealth by carrying out gem mining and logging operations in western border regions. Many companies of a neighboring country have also had a stake in trading with the Khmer Rouge.

In the face of this development, many observers have pointed out that if all parties give full cooperation, the UN Security Council's consideration of punishment of the

Khmer Rouge will become an important contribution to implementation of the UN peace plan in Cambodia.

Party Control Board Team Returns from PRC

BK2007110292 Vientiane KPL in English 0915 GMT 20 Jul 92

[Text] Vientiane, July 20 (KPL)—Maichantan Sengmani, member of the Politburo of the LPRP CC [Lao People's Revolutionary Party Central Committee], head of the party Control Committee, on July 19, returned home after concluding his 10-day official visit to the PR [People's Republic] of China.

During his visit, talks were conducted with the Chinese counterparts in Beijing. The delegation also visited Guangdong, Shanghai, and Guangzhou.

Military Delegation Ends PRC Visit, Returns

BK2107045192 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 21 Jul 92

[Text] At noon on 19 July, a delegation of the Lao People's Army [LPA] General Political Department led by Comrade Lieutenant General Osakan Thammatheva, member of the party Central Committee, deputy minister of national defense, and head of the Army General Political Deopartment, returned to Vientiane after ending a gloriously successful one-week visit to the PRC.

During the visit to the PRC, our Army General Political Department delegation was accorded a very warm and friendly welcome by the fraternal Chinese Army and people. The delegation met and exchanged views on the party and political work with a delegation of the General Political Department of the Chinese People's Liberation Army [PLA] led by Comrade General Yang Baibing, member of the CPC Central Committee and head of the Chinese PLA General Political Department. It also attended a banquet hosted in honor of the delegation at the Great Hall of the People in Beijing by the Chinese PLA General Political Department; laid a wreath at the monument of heroes at Tiananmen Square; paid respects to the remains of Chairman Mao Zedong; visited the Beijing capital defense infantry regiment 196; visited an air force institute and a naval unit in Shanghai; and viewed many economic and cultural establishments in Beijing, Shanghai, and Kunming. The delegation also attended a banquet held in its honor by the military commands of Shanghai and Kunming regions.

Assessing the success of the delegation's visit to the PRC on this occasion, Major General Soulima Bounleut, deputy head of the Army General Political Department as deputy head of the delegation, said: This visit to the PRC by the delegation of the LPA General Political Department has resulted in further strengthening, even more profoundly, the friendship and solidarity between the two countries and their armies. Our delegation had an opportunity to learn many lessons on the party and political tasks which have been carried out by the Chinese PLA with clear-cut principles and main points, and which have brought about a vigorous enhancement of the party leadership in the ranks of the army. The Chinese Army and people have been consistent in carrying out work ranging from the higher down to the lower levels. The combatants of the Chinese PLA have always been ready to perform their duty of defending the fruits of the socialist revolution and supporting the implementation of the reform and open-door policy.

Chinese Aid Given to National Construction Front

BK1907105792 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 18 Jul 92

[Text] A ceremony for handing over aid items from the Chinese People's Political Consultative Conference [CPPCC] to the Lao Front for National Construction [LFNC] Central Committee was held in Vientiane this morning. The items included one earthmover, 21 bicycles, and four (?forklifts).

Attending the ceremony were Maisouk Saisompheng, chairman of the LFNC Central Committee; Huang Guocai, ambassador extraordinary and plenipotentiary of the People's Reuplic of China to the Lao People's Democratic Republic [LPDR]; and high-ranking officials of the two sides.

Bolivong Dalavong, member of the LFNC Central Committee, and (Huang Zaoyang), deputy head of the CPPCC foreign relations division of Yunnan Province, took turns speaking at the ceremony. Each expressed satisfaction with the cooperation between the two countries, as well as between the LFNC and the CPPCC, which has expanded steadily and significantly.

Furthermore, Bolivong Dalavong affirmed that the given items would be further distributed for use by the LFNC in various provinces.

Narcotics Seizures in First Six Months Reported

BK1807101192 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 15 Jul 92

[Text] Police authorities of Sanakham District, Vientiane Province, recently disclosed to reporters that during the first six months of this year district police officers captured 32.5 kilograms of marijuana and 5 kilograms of opium. Police filed lawsuits against the suspects in such cases to the people's court of the district, and investigation and court verdicts were carried out in accordance with legal procedures.

The authorities also reported that during the same period, police officers seized U.S. $200 in counterfeit money used by bad elements to buy rice in the locality. At the same time, stealing cattle to sell in Thailand and smuggling contraband goods continued to exist. However, all the authorities concerned and local administrations were trying to find ways to gradually eradicate or scale down such activities by working closely at the grass-roots level.

As for gambling and other [word indistinct] in the district, police reported that there were no serious cases during such period.

Philippines

ASEAN Consensus on Security, Trade Issues Urged

HK2107052192 Manila THE CHRONICLE in English 21 Jul 92 p 4

[Editorial: "The Asean at a Crucial Conjuncture"]

[Text] The meeting of Asean foreign ministers commences today in Manila. It is during working meetings such as this one that the Association finds its bearings in an ever changing global condition and comes to grips with the tasks and purposes of the regional community. The occasional summit among the Asean heads of state happens after the ministers have completed the spade work and smoothened out whatever disagreements on issues that may concern the region.

Much more has probably changed in the interval from the last ministerial meeting than previously. Much work will have to be put in by the ministers to bring the community of Southeast Asian states in common cadence and with a singularity of perspective on an extraordinarily broad range of political and economic questions.

Last year, the Philippines rejected a treaty that would have extended the stay of American military facilities in the area. In three months, the last U.S. serviceman shall have left Subic Naval Base. There was no consensus among the Asean member countries about what to do with the bases when they were there and what to do now that they are out.

In the absence of a consensus on the bases, the regional community played nary a role in the negotiations, contributed little to the outcome and lacked a unified stance in the aftermath. Filipinos complained rather audibly about having to bear the bases burden alone and deal with the superpower single-handedly on a matter that is of great strategic significance to the whole region. Offers from other Asean members to provide the U.S. military access clearly undermined the Philippine negotiating position. In the aftermath of bases withdrawal, the countries of the region tended to deal with the strategic fallout individually rather than in concert.

The ministerial meeting should allow us an opportunity to discuss the possibility of a post-bases regional security arrangement. Such an arrangement is made more urgent by the implications for the region of the end of the Cold War. Early indications of a regional arms race and rising tensions over competing claims for the Spratly islands are additional factors making a regional security arrangement desirable.

The Spratlys question is a strategic concern by itself. This year, the Philippines struck oil in the vicinity of the contested islands. China has entered into a joint exploration arrangement with an American firm and intends to dig in an area claimed by Vietnam. In order to avert the escalation of the dispute, the Philippine panel shall propose the establishment of a consortium among the six claimants for joint exploration and exploitation of the area's resources similar to the North Sea agreement among the Western European countries and the Australia-Indonesian agreement. We hope to win Asean backing for this proposal.

Also part of the strategic considerations the ministerial meeting will have to deal with is rising regional anxiety over the possibility of Japanese reemergence as a military power. The anxiety has been stoked by last month's decision of Japan's Diet to allow the dispatch of troops overseas for peacekeeping functions. It was a decision obviously intended to please the Americans. But Southeast Asian have, because of our experience during the Second World War, harbored deep suspicions of Japan's military potential. The Diet's recent decision has brought those suspicions back to the surface.

On the dimension of regional economic cooperation and international trade, the issues confronting the Asean community are no less complex.

Last year, leaders of the Asean member-countries committed to the establishment of an Asean Free Trade Area (Afta). This was a major step towards regional collaboration for economic development. But Afta will have limited effectivity unless mechanisms are set up that will allow us to relate with the rest of the world as a trading bloc.

At the moment, members of the Asean are individually subjected to trading pressures from major trading economies, particularly the U.S. In the near future, we shall have to deal with a single European market and a virtually integrated North American economy. We must take steps not only to evolve authentic free trade among ourselves but also to respond collectively to the threat of rising protectionism among the emerging trading blocs of Europe and North America.

The matter of regional economic cooperation must also be dealt with beyond merely the aspect of free trade among the countries of the region. We must begin working out the details of cooperation in joint investments and the financing of economic infrastructures. The prospective "growth triangles" envisioned as starting points for more intensive regional economic collaboration need to be fleshed out as soon as possible.

Over the last year, too, there were changes in the political leadership of three member countries: Singapore, Thailand and the Philippines. The enlarged role of the opposition in

Singapore, the apparent momentum enjoyed by the pro-democracy forces in Thailand, and the stability of democratic institutions demonstrated by the success of Philippine elections bode well for the region.

For many years, the Asean has politely evaded the subject of democratization. The moment has now come for the regional community to begin evolving at least a general consensus on the direction political development will take in this part of the world. It is not possible to achieve any significant level of regional economic collaboration unless we first achieve a substantial degree of political correspondence. The lessons Europe offers us on this aspect should be studied closely.

The Asean ministers are convening at a time of great changes, great challenges and great expectations. This is a crucial conjuncture for this region with the best prospects for economic expansion and political maturation. The initiative for greater regional collaboration must, at this point, either acquire momentum or, failing in that, become another one of those experiments that prove unsustainable for want of statesmanship.

Too much is at stake for the region at this time to allow for a failure in vision.

Manglapus, Kozyrev Sign Accord on Air Links

HK2107060592 Quezon City MALAYA in English 21 Jul 92 p 21

[Text] The Philippine Airlines will soon be flying directly to Moscow and Aeroflot will soon be landing Russian tourists at the Ninoy Aquino Airport.

This became a strong possibility as the Philippines and Russia signed last night an air agreement which opened direct air transport links between the two countries.

The accord formally linking Manila and Moscow was signed by Foreign Secretary Raul Manglapus and Foreign Minister Andrei Kozyrev of the Russian Federation in simple rites at the Philippine Plaza Hotel.

Iraqis in Philippines Complain About Asset Freeze

HK1907023692 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT 18 Jul 92

[Text] Last night, Iraqis celebrated their national day, and Ambassador Miamma Husayn complained in a speech at the embassy the continued freezing of Iraqi assets in the Philippines.

Second Secretary Salael din en Sulayman said the $75,000 and P750,000 [pesos] were deposited at the Citibank branch in Makati.

Since the beginning of the Gulf war on 2 August 1990, the Iraqis have not been able to withdraw that money. Sulayman said that under the United Nations declaration on these assets, the decision about lifting the freeze is left to the host countries. Iraqi assets are frozen in the United States and its allies like Great Britain, France, and other countries involved in the Gulf war, and in the Philippines.

The Iraqi Embassy has written to the Central Bank asking for the freeze to be lifted. But, Citibank replied that this matter should be cleared with the United States.

Congressman de Venecia Wins House Speakership

HK1707114992 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 17 Jul 92

[Text] The Strength-National Union of Christian Democrats unanimously chose Congressman Jose de Venecia today as House speaker in a caucus attended by members of the House of Representatives. De Venecia's victory came after his closest rival Congressman Jose Peping Cojuangco withdrew from the race. Cojuangco issued his decision after meeting with President Ramos last night.

One hundred forty six congressmen unanimously supported De Venecia as the new speaker.

At the same time, the group agreed to push Raul Daza as speaker pro tempore, Ronaldo Zamora as majority floor leader, and Rodolfo Albano as senior majority floor leader. They also agreed to support President Ramos' programs.

In related news, Presidential Spokeswoman Annabel Tecson Abaya reiterated that President Ramos did not endorse Congressman Jose de Venecia's candidacy for the House speakership:

[Begin Abaya recording in English] From the very beginning, even when he decided to talk to the congressmen, he had always said that he was going to listen, and if necessary he will intervene. It was not necessary for him to intervene because in the facilitation process, we allowed all of the members of congress to talk and to discuss among themselves how to best settle the issue. There, the congressmen rose to the occasion and made their own decision. [end recording]

President Ramos is set to meet with Congressmen de Venecia and Cojuangco tonight. Place and time of the meeting was not indicated but it is expected that it will straighten things out regarding the house speakership issue.

More Top Level Police Officials Reshuffled

HK2107053992 Manila THE CHRONICLE in English 21 Jul 92 p 6

[Text] The top-level revamp at the Philippine National Police [PNP] continued yesterday, with Police Senior Superintendent Renato Motus, former PNP director for investigation, taking over the post of Police Chief Superintendent Percival Adiong as Highway Patrol Group chief.

Camp Crame sources said Adiong, still out of the country, was expected to be named new PNP Narcotics Command director, replacing Police Chief Superintendent Job Mayo Jr., who would be assigned as Cagayan regional police chief soon.

Police Director General Cesar Nazareno, the PNP chief, is reportedly set to be designated new PNP regional directors in the coming days as part of the command program to enhance the effectiveness of its key senior officers.

In a related development, Mayo announced the designation of new officers under his command yesterday, with Police Superintendent Adelino Razon Jr., the National Capital Regional Narcotics Field Unit [NCRNFU] chief, relinquishing his post to Police Chief Inspector Geary Barias, the outgoing chief of the 3rd Narcotics Field Unit in Central Luzon.

Razon takes a new role with his transfer to the Presidential Security Group in Malacanang while Barias comes back to the Narcom [Narcotics Command] headquarters as the NCRNFU chief.

At the time, Mayo announced the designation of Police Chief Inspector Joseph Castro of the Narcom Operations Unit as Barias' replacement in Central Luzon.

AFP Chief Says Communists 'Neutralized' by 1993

HK2107060792 Quezon City MALAYA in English 21 Jul 92 p 3

[By Noel Bartolome]

[Text] Gen. Lisandro Abadia, AFP [Armed Forces of the Philippines] chief, said yesterday the New People's Army [NPA] will be dismantled and the national security threat posed by the Communist Party of the Philippines will be neutralized by 1993.

Abadia said the military will also attain strategic control or reduce to the minimum the 13,000-strong communist force nationwide by the end of 1992.

"We could not totally wipe out all the remnants of the rebel forces nationwide, but like the Hukbalahap [People's Anti-Japanese Army—predecessor of NPA] movement, they will no longer have the capability to launch major attacks against military units," Abadia said.

Records placed the total number of NPA fighters as of June this year at 13,480, a 48 percent decline from their peak strength of 25,800 in 1988.

Rebel firearms dropped by 40 percent, from a peak of 15,500 in 1987 to 9,290 at present.

Intelligence reports said there are now 2,819 insurgency-affected areas, a decline of 67 percent from the peak of 8,496 in 1986.

Communists To Hold Talks on Ramos Amnesty Offer

HK1707114892 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT 17 Jul 92

[By Joe Capadocia]

[Text] The National Democratic Front [NDF], the communist groups' umbrella organization, will send two representatives to the Netherlands to talk to and persuade Communist Party of the Philippines [CPP] Chairman Jose Maria Sison and NDF Vice Chairman for International Affairs Luis Jalandoni to accept President Fidel V. Ramos' offer of amnesty for the rebels.

De la Torre, a member of the International Department and former secretary of the CPP National Propaganda Commission who is now based in Europe; and Renato Constantino, the chairman of the National Movement for Civil Liberty under the National United Front Commission, are the NDF representatives who are to be sent to the Netherlands. De la Torre and Constantino are now consulting with some NDF members in the country.

According to a source in Camp Aguinaldo, this development clearly indicates that most of the communist rebels are ready to accept the Ramos government's amnesty offer. The move to send representatives to the Netherlands is also in preparation for the meeting between Congressman Jose Apeng Yap and top CPP-New People's Army-NDF officials in a country close to the Philippines.

Meanwhile, top officials said CPP members also wish to participate in the 1998 elections.

In related news, the NDF has rejected the government's offer of amnesty. Satur Ocampo, head of the movement, said the government's offer of amnesty is not acceptable to the leftist movement, particularly on the condition that they have to lay down their arms in their struggle. Ocampo said it would be better if the government determined the rebels' problems and provided a solution to these until the rebels are fully convinced to surrender to the state.

Leaders Urged To Accept Offer

HK2007033892 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 19 Jul 92

[Text] The National Democratic Front [NDF] is urging its leaders exiled in the Netherlands to accept the Ramos administration's amnesty offer. In a document sent by the NDF to Jose Maria Sison, Communist Party of the Philippines-New People's Army chief, and Luis Jalandoni, NDF vice chairman for internal affairs, it is said that the NDF is willing to accept the Ramos administration's amnesty offer for all of the country's rebels and is urging Sison to participate in the country's parliamentary [as heard] struggle.

Thailand

Foreign Minister on Khmer Rouge, ASEAN

BK2007151992 Bangkok Army Television Channel 5 in Thai 1230 GMT 20 Jul 92

[Text] Foreign Minister Asa Sarasin left for Manila to attend the ASEAN ministerial meeting, which will discuss topics including regional security, Cambodia, and the Spratly Islands. Thailand, together with other countries in the ASEAN bloc, will also meet dialogue partners from seven countries—namely, Australia, New Zealand, Canada, the European Community, the United States, South Korea, and Japan.

Asa said before his departure from Bangkok that the meeting in Manila on 21-25 July will be a followup of the resolution of the ASEAN summit, held early this year in Singapore, concerning cooperation in trade, investment, development of human resources, scientific cooperation, technology transfer, and transportation. The meeting will also discuss the ASEAN Free Trade Area, or AFTA, the program which will start early next year. Thailand will also confirm to the meeting its determination to see AFTA make headway. The meeting will also discuss security in Southeast Asia.

Asked about the proposal by several countries for sanctions on the Khmer Rouge because of their failure to cooperate with the United Nations in the implementation of the second phase of the peace plan, the foreign minister said Thailand disagreed with the proposal, saying Thailand would only suffer a negative outcome if such a sanctions plan did not work.

[Begin Asa recording, in progress] What worries Thailand most of all is the fact that Thailand would be condemned for supporting the Khmer Rouge if the sanctions did not work. As a matter of fact, we have repeatedly stated that we had nothing to do with the Khmer Rouge. [end recording]

Concerning the dispute between several countries over sovereignty over the Spratly Islands, an issue which could spark a war in the future, the foreign minister said Thailand calls upon all sides to seek a negotiated settlement based on the principle of peace.

Anan, SRV Minister Discuss Trade, Fishing

BK2007152992 Bangkok Army Television Channel 5 in Thai 1230 GMT 20 Jul 92

[Text] Vietnamese Foreign Minister Nguyen Manh Cam, accompanied by a delegation, met Prime Minister Anan Panyarachun at Government House this morning for a discussion on trade and investment between Vietnam and Thailand.

Foreign Minister Asa Sarasin reported after the meeting that the discussion covered trade and investment topics. Thailand's investment in Vietnam is worth over U.S.$43 million at present, and growing. The governments of both countries are encouraged to create an atmosphere of confidence for entrepreneurs from both sides, especially concerning taxation. Talks on this subject between Thai and Vietnamese officials are planned for 10-14 August.

The foreign minister said the fishing issue was also brought up for talks, including the release of Vietnamese soldiers captured on 17 May for encroaching on Thai waters.

Diplomatic Relations Established With Byelarus

BK2107064992 Bangkok Radio Thailand Network in Thai 0000 GMT 21 Jul 92

[Announcement by the Prime Minister's Office on the establishment of diplomatic relations between the Kingdom of Thailand and the Republic of Byelarus]

[Text] Being desirous of promoting friendly and mutual beneficial relations between the Kingdom of Thailand and the Republic of Byelarus, the governments of the Kingdom of Thailand and the Republic of Byelarus have agreed to establish diplomatic relations as of 21 July and to exchange diplomatic representatives at ambassadorial level in due course.

Diplomatic Relations Established With Georgia

BK2107065192 Bangkok Radio Thailand Network in Thai 0000 GMT 21 Jul 92

[Announcement by the Prime Minister's Office on the establishment of diplomatic relations between the Kingdom of Thailand and the Republic of Georgia]

[Text] Being desirous of promoting friendly and mutual beneficial relations between the Kingdom of Thailand and the Republic of Georgia, the governments of the Kingdom of Thailand and the Republic of Georgia have agreed to establish diplomatic relations as of 21 July and to exchange diplomatic representatives at ambassadorial level in due course.

Disputes With U.S. on Patents, Copyrights Viewed

BK1807034592 Bangkok THE NATION in English 18 Jul 92 p B2

[Text] Thailand's disputes with the United States over patent and copyright protections may have been pushed off the front pages of newspapers but they certainly have not disappeared. Thailand's failure to satisfy American trade officials that it is doing all it can to protect intellectual property rights is a particularly nettlesome burr in US-Thai relations.

Yet, recognizing that little progress in settling the dispute is likely to be made during this period of political flux, American officials are looking to the next elected government to do more on the related issues on patent protection.

Both Thai and American officials would like to see some progress on the issue before Secretary of State James Baker and other senior American officials arrive in

Bangkok for the Asian and Pacific Economic Cooperation (APEC) meeting mid-September. Official and business executives on both sides of the fence doubt that the division will be fully bridged in the near future.

"We don't expect much," said one Western executive.

"The Ministry of Commerce has stressed that there is no way we can make the law much tighter," echoed a Thai.

At stake is millions of dollars in potential sales of video cassettes, cassette tapes and computer software that is lost to pirates who illegally reproduce large quantities of the copyright materials for resale.

"If Thailand is serious about wanting to become a major trading partner with other countries, and wants others to invest here, its going to have to do something more," says John Marten, country manager for Upjohn Co, a leading pharmaceutical multinational.

American officials have repeatedly criticized Thailand for failing to enforce US motion picture, sound recording and software copyrights, leading to significant losses for those industries. The Office of the US Trade Representative (USTR) has threatened retaliatory measures should existing problems remain unresolved.

Under "Special 301", a provision of the 1988 Omnibus Trade Bill, the USTR is required to identify countries which fail to provide "adequate" intellectual property protection and to label those countries as "Priority Foreign Countries" (PFC)—the agency's blacklist.

After a year-long investigation, the USTR found in April, 1991 that Thailand's copyright policies and enforcement procedures were "unreasonable" and placed Thailand on the PFC list. The agency, however, decided that no retaliatory action was warranted and chose only to continue to monitor the situation and re-evaluate the issue in 1992.

In April of this year, the agency declared that there continued to be problems in the enforcement of copyright and a deficiency in patent protection. The agency once again decided to defer any retaliatory action but may not do so indefinitely.

The American Chamber of Commerce in Thailand says that American businesses are generally well treated here and has called for some form of negotiated settlement.

"Time is of the essence in solving the problems, but threats are likely to be counter-productive. USTR's intellectual property negotiations and actions must be done with a view towards the overall trade relationship between the United States and Thailand," it said in a statement released last month.

Trade retaliation could be limited to keeping Thailand on the PFC list, or could be as severe as ending duty-free treatment for selected Thai exporters to the US, or imposing tariff levels of up to 100 per cent on some shipments.

American trade officials are under extreme pressure to protect American industries and foreign trade practices have become a hot- button issue in the United States this election year.

The USTR response "depends a lot on the political climate in Washington and how serious Thai efforts are perceived as being" says one official familiar with the situation.

Although the blatant pirating of cassette tapes and videos may be more obvious, one of the more emotional issues in the trade dispute is the patenting and sale of Western pharmaceuticals in Thailand.

The Pharmaceutical Manufacturers Association (PMA), an American trade association, has estimated that the potential market for its companies' products in Thailand could be well over US$60 million if their patents were adequately enforced in Thailand.

The sales of PMA member companies in Thailand in 1991 totalled more than US$12 million, but the organization estimates that their members lost nearly US$19 million though the unlicensed production and distribution of their products in this country. Local representatives of the firms privately say the loss may be even higher. In response to US pressure, the National Legislative Assembly passed an amendment to the patent law in February that will provide coverage for pharmaceutical products for twenty years after their patents are applied for in Thailand. But the law does not protect pharmaceuticals or chemical compounds that have already been patented outside Thailand, but have yet to be marketed in this country. Such "pipeline" protection, as the industry calls it, is generally accepted in Western nations and, increasingly, elsewhere as well. China, for example, recently agreed to include some form of pipeline protection in its new patent law.

US Trade Representative Carla Hills has called the patent law amendment "deficient" and has criticized a provision that empowers the Thai government to require foreign pharmaceutical companies to license their products to domestic producers. Other non-Western countries have extracted similar agreements from pharmaceutical manufacturers who have opposed them since they tend to reduce the foreign corporation's potential earnings.

Language governing pipeline protection and a country's ability to require compulsory licensing is under discussion in the on-going Uruguay Round talks of the General Agreement on Tariffs and Trade (Gatt). If the talks are ever concluded, Thailand may be forced to re-write the provision.

The Pharmaceutical Manufacturers Association has strongly criticized the amendment for its lack of pipeline coverage as well as for the inclusion of a provision giving a Thai patent board the authority to request pricing and other proprietory information from any pharmaceutical company selling its products in Thailand. Failure to supply the information could subject local managers to heavy fines or imprisonment.

"We're very happy that pharmaceuticals are now given patent protection," says David Franklin, chairman of the intellectual property rights subcommittee of the Pharmaceutical Producers Association, which represents Western manufacturers here. "But", he added, "we believe the law needs some further work." Franklin and representatives of other western pharmaceutical corporations say they are particularly concerned about the lack of pipeline protection. But local pharmaceutical manufacturers and some Thai public health officials say that greater patent protection for Western pharmaceuticals will lead to higher shelf prices, preventing poorer customers from buying medicine they may need.

Dr Suwit Wiwunphonprasoet, director of the technical division of the Ministry of Public Health's Food and Drug Administration says that if Thai negotiators bowed to American pressure "with their chemical compounds patented new (Western) drugs on the market will have no competition and their price will rise. A patent law that is any tighter will just abolish competition. This is just common sense."

"The multinationals just want a higher profit," he says. "There is no reason for it if is not for higher profit."

But Western manufacturers strenuously disagree.

"Patent have nothing to do with price," says John Marten of Upjohn. Marten says there is an extremely high variety of pharmaceutical products available in Thailand, with many compounds being very similar. With that kind of competition, he says, nobody can afford to charge prices that are out of line.

Marten says pipeline protection will only allow manufacturers to recoup their development costs. He says the cost of producing a new drug averages over US$230 million, involving over 10 years of research, product development and registration.

"People won't spend the time and money developing something new unless there is something in it for them," he says.

Official Urges Amendment to Copyright Act

BK2007025992 Bangkok THE NATION in English 20 Jul 92 p B1

[Text] A senior Commerce Ministry official said Thailand should amend the Copyright Act to extend protection to software to give local producers a better chance to develop the software industry.

If the software protection is empowered by the Copyright Act, the software licensee will be required to disclose the details of the software making process to the Commerce Ministry, information which will be useful for software development in the future, according to Deputy Director General to the Intellectual Property Department, Yangyong Phuangrat.

Yanyong, however, said the decision on the scope of protection coverage should be further discussed because the government agencies have not yet reached a conclusion on how to protect the software computer.

He said the process of making software is complicated, starting from making the programme until the software computer comes out from the process.

United States Trade Representative (USTR) has long urged Thailand to amend the Copyright Act to cover the software computer. Yanyong said that, at any rate, the detail in the amended Copyright Act should be in line with the local industry. Thailand might exclude some part of process from the protection such as "source code" and "object code". Some countries protect only "idea" and "output" of the product, he said.

"We should spell out obviously the scope of protection in the act. However, the amended act might not be similar to the international law which defines the protection coverage into diferent categories. This is because it might create a problem of retroactive protection in the same way as the "pipeline protection" of pharmaceutical products," he said.

Some models of software computers, which are currently widely used, might not be protected by the amended act since the Commerce Ministry thought that those popular products no longer have novelty, he said.

The Commerce Ministry started receiving applications for trademark and service registrations from February. Yanyong said that there are about 60 applications a day.

He said that the number indicated the industrial development and therefore, that there should be some mechanism to protect both service and industrial sectors.

Referring to the ongoing dispute over the massive music recording piracy between Thailand and the European Community, Yanyong said that Kroekkrai Chraphaet, deputy permanent secretary to Commerce, will head the Thai delegation for talks with the EC delegation on July 28-29.

Department Plans Registered List for Copyrights

BK2007022392 Bangkok BANGKOK POST in English 20 Jul 92 p 32

[Text] The Department of Intellectual Property Rights (DIPR) plans to list the copyrights of invented works so they can be used as evidence when there are legal problems.

The department's Deputy Director General Yanyong Phuangrat said the lists will be made public through a departmental announcement which will be posted on notice boards. The works will include musical cassettes, video tapes and literary works.

Copyright owners are not bound by Copyright Law to register their invented works. They can demonstrate their legal rights by printing "copyright reserved" or "R in a circle" on their works. Once the invented works are officially known, copyright protection becomes effective.

The owners of invented works are no longer required to notify the Education Ministry's Fine Arts Department of their works invented as earlier practised, but are now required to inform the DIPR instead.

He said the DIPR, which was just formed in May, took over all responsibilities from the Fine Arts Department concerning the copyrights of locally-invented works.

The works invented, which are protected under the Copyright Law, will be used as evidence in courts to prove who legally owns them.

Mr Yanyong said he expected more invented works will be reported to the department because the lists will be useful for the owners when there are legal problems.

The department also plans to amend the Copyright Law to put software under legitimate protection. This follows several disputes with foreign inventors, especially in the United States.

Most of Thailand's neighbours have enacted software copyright laws, including Singapore, Malaysia, Indonesia, Hong Kong, Taiwan and South Korea.

Mr Yanyong said the department will propose that the law be amended to protect software copyrights, but they have not yet concluded which step of software production would be protected.

In another development, the department has become the centre for entrepreneurs to gain access for information about patents which have been registered with the department. This is especially true for how far the technology had been developed and if the industries could possibly apply for such technology to upgrade their production, Mr Yanyong added.

Effect of Kaset's Coup Statement Viewed

BK1907034092 Bangkok BANGKOK POST in English 19 Jul 92 p 4

["Weekend analysis" by Banyat Tasaniyawet]

[Text] Supreme Commander and Air Force chief ACM [Air Chief Marshal] Kaset Rotchananin's statement that the military could stage another coup if "lousy" politicians are reelected may force Prime Minister Anan Panyarachun to take quicker action against those who ordered soldiers to fire on protesters during May 17-20.

The comment, which is seen by most as an implied threat, greatly upset the public which sees it as demonstrating a iack of remorse or responsibility on the part of senior military leaders for the hundreds of unarmed people killed or wounded during the brutal crushing of the pro-democracy demonstrations. The controversial comment also came at a time when the country is about to hold a general election.

The fear is that if the election results are not to the satisfaction of the powerful in the Armed Forces or if the parties that win the most seats are branded "lousy" in their eyes, then the military will not let things go their own course and will step in. The military has been undertaking moves, particularly in the provinces, to change the feeling of the people about Black May so that the suppression will be seen instead as a "legal" action. Mudslinging leaflets have showed up charging the New Aspiration Party with aspiring to a presidential system and the Phalang Tham Party with trying to establish a new religion.

Civil conservation political groups, such as the Aphirak Chakri group which held its meeting at the Air Force Club, is also suspected of building up a "public voice" to oppose the potential nomination of Gen Chawalit Yongchaiyut, Maj-Gen Chamlong Srimuang or Mr Chuan Likphai as the next prime minister.

All these are seen as attempts to create confusion and doubt in the people before the election. It goes against the political current at a time when the people are rejecting the political parties that supported the dictatorial power. It is of course aimed at ensuring the survival of the military group which dominated political power before the May incident.

They are not only bad for the country's political image but also for the building of a good atmosphere to revive the tourism industry and investment climate which the Anan Government has been attempting to do. They also create the worry that the political atmosphere of confrontation between the "right wing" and the "left wing" of the mid-1970s will return if a stop is not put now.

Only the Anan Government is capable of defusing this politically explosive situation.

Every time Mr Anan is asked about punishing those who ordered the killing of the people, the Prime Minister insists that he will wait for the official investigation into the May unrest being undertaken by two committees under Mr Sophon Rattanakon and Gen Phichit Kunlawanit.

But meanwhile Mr Anan has been courageous in ordering the dismantling of the power bases of the military which could hardly be touched by an elected government.

For example, he ordered the revocation of the prime ministerial order appointing the Supreme Commander the director of the Internal Peacekeeping Command. The order was issued during the premiership of Gen Kriangsa Chomanan after the October 1 1976, massacre at Thammasat University.

The revocation of this order put a stop to the Supreme Commander using his power as Internal Peacekeeping Command director to set up the Capital Security Command and other forces.

The duty of looking after internal security, in cases of protest and rallies, now rests with the Interior Ministry.

But the Internal Peace-keeping Act will be a duty for the new government to tackle because the present Parliament has been dissolved and the law cannot be abolished outside Parliament.

The Anan Government has also adopted a resolution to change the regulations of Thai International Airways and abolish the automatic appointment of the Air Force Commander-in-Chief as THAI board chairman. The practice has been with the national airline since its conception.

Mr Anan reasoned that the change to this regulation will bring the airline in keeping with THAI's status as a public company whose shares will soon be sold on the stock market.

THAI International has long been regarded as an "inheritance of the Air Force, but the change introduced should stick since the Finance Ministry holds the largest number of shares in the company.

And responding to ACM Kaset's coup comment, the Prime Minister said that most Thais now regard coups as an act of treason against the country and the throne.

He believes that in 1992 anyone contemplating a coup would be rejected by the public.

It is understood that the Anan Administration, a temporary government to oversee the general election, will have sufficient information to see to it that the elections are clean and fair as well as to keep in line the various conservative political groups being mobilised by the military.

Elections are part of the competition for administrative power and they cannot be fair and just if the real wish of the people is distorted by any side.

Prime Minister Anan should now decide on the action to take for his duty in defusing the future political time bomb.

Formation of New Seri Tham Party Announced

BK2007155592 Bangkok Army Television Channel 5 in Thai 1230 GMT 20 Jul 92

[Text] Athit Urairat has successfully formed his Seri Tham Party, which is now waiting only for the Interior Ministry's approval for a name change to the Prachachon Thai Party. He said the party logo will be a white elephant holding four olive branches.

Athit Urairat, whose bid to form a new party was delayed by a lengthy party registration procedure, announced this afternoon his success in forming the Seri Tham Party, which he will lead. Athit, together with a group of former MPs who call themselves the new generation, announced the formation of the Seri Tham Party. Athit also announced that he will be the party leader. The news conference was held at party headquarters on the ninth floor of the Phaya Thai II Hospital. Pridi Hiranyaphruk will be party secretary general. A list of 120 election candidates will be announced by the party on 25 July. This will include the 40 founding members.

Concerning the party line, which coincides with that of the Chat Phatthana Party, Athit Urairat said his Seri Tham Party will uphold moderation and reject violence. He said there are several ways to achieve this goal and this is why his party line sounds similar to others. As for his party slogan, Athit said it is as follows: Towards a new and brighter direction. Concerning the issues for which the party will campaign, he said they should be things which stir the people's pride. His party will not indulge in vote buying because of its limited budget. Asked about his readiness to assume the premiership, Athit said that depends on the support given him by others.

Vietnam

First Official Results of General Elections Announced

BK2107122392 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 21 Jul 92

[Text] This afternoon, 21 July, the Central Electoral Council held a news conference to announce results of the Ninth National Assembly elections. Comrade Nguyen Viet Dung, secretary general of the Council of State and secretary of the Central Electoral Council directed the conference.

Following are results of the election of deputies to the Ninth National Assembly in Hanoi:

Number of electoral units	8
Number of National Assembly deputies	20
Number of candidates	32
Number of registered voters	1,387,948
Number of actual voters	1,377,367
Voter turnout	99.23 percent
Number of deputies elected	20

Following is a list of the 20 elected deputies to the Ninth National Assembly of Hanoi Municipality:

1. Do Muoi, elected with 80.29 percent of the total valid votes;
2. Chu Duy Kinh, elected with 76.45 percent of the total valid votes;
3. Pham Loi, elected with 67.61 percent of the total valid votes;
4. Vu Quan Phuong, elected with 65.75 percent of the total valid votes;

5. Cao Minh Chau, elected with 79.75 percent of the total valid votes;

6. Le Xuan Tung, elected with 78.51 percent of the total valid votes;

7. Kim Cuong Tu, elected with 72.38 percent of the total valid votes;

8. Tran Thi Tam Dan, elected with 78.26 percent of the total valid votes;

9. Le Quang Dao, elected with 69.39 percent of the total valid votes;

10. Nguyen Dinh Chung [as heard], elected with 54.82 percent of the total valid votes;

11. Vu Dinh Cu, elected with 84.43 percent of the total valid votes;

12. Vu Duc Khien, elected with 77.90 percent of the total valid votes;

13. Pham Thi Tran Chau, elected with 83.74 percent of the total valid votes;

14. Nguyen Hong Hai, elected with 67.08 percent of the total valid votes;

15. Luong Xuan Quy, elected with 65 percent of the total valid votes;

16. Chu Thuy Quynh, elected with 76.75 percent of the total valid votes;

17. Dinh Hanh, elected with 76.52 percent of the total valid votes;

18. Pham Van Ngoc, elected with 56.33 percent of the total valid votes;

19. Ton That Bach, elected with 91.96 percent of the total valid votes; and

20. Nguyen Van Cu, elected with 58.32 percent of the total valid votes.

A list of more elected deputies to the Ninth National Assembly will be broadcast in tomorrow's 1800 [local time] newscast.

Maritime Cooperation Signed With Japan

BK1707151892 Hanoi VNA in English 1458 GMT 17 Jul 92

[Text] Hanoi VNA July 17—The Vietnam-France sea transport joint venture (Gematrans) and the 'K' line Kawasaki Kisen Kaisha of Japan officially opened here today an international container transport route.

In addition to regular weekly trips in the Southeast Asian region, this sea route will service container transport from Ho Chi Minh City of Vietnam to Hongkong, Kaohsiung, Japan and the United States.

Also on this occasion, the Vietnam Maritime Union repaired the freighter 'Hau Giang' and converted it into a 12,000-ton container ship, the first of Vietnam to operate on Southeast Asian routes.

Leaders Send Greetings to Lao Counterparts

BK1707151992 Hanoi VNA in English 1452 GMT 17 Jul 92

[Text] Hanoi VNA July 17—Vietnamese party and state leaders today sent a joint message of greetings to their Lao counterparts on the 15th anniversary of the signing of the treaty of friendship and cooperation between the two countries. The message was addressed by Do Muoi, general secretary of the Central Committee of the Communist Party of Vietnam, Vo Chi Cong, State Council President, Vo Van Kiet, chairman of the Council of Ministers, and Le Quang Dao, National Assembly chairman, to Kaysone Phomvihan, chairman of the Central Committee of the Lao People's Revolutionary Party and Lao president, Nouhak Phomsavan, president of the Supreme People's Assembly, and Khamtai Siphandon, prime minister. The message says that over the past 15 years the friendship, special solidarity and all-round cooperation between the two countries have constantly strengthened and developed, making an important contribution to the [words indistinct] national construction and defence of both countries.

Lao Ambassador on Friendship, Cooperation Treaty

BK2007065292 Hanoi Voice of Vietnam in English 1000 GMT 17 Jul 92

[Report by radio correspondent Minh Tam on achievements in the implementation of the Treaty of Friendship and Cooperation between Vietnam and Laos; comments by Lao ambassador to Vietnam are recorded in Lao fading into English translation]

[Text] The Lao ambassador to Vietnam on Friday [17 July] held a press conference to mark the 15th anniversary of the signing of the Treaty of Friendship and Cooperation between Vietnam and Laos. Speaking at the event, the Lao ambassador, Mr. Khamphet Phengmeuang, said:

[Khamphet Phengmeuang] The Treaty of Friendship and Cooperation between Vietnam and Laos was signed on July 17th, 1977 based on the two countries' common goals and ideals and on the fact that the two brotherly countries support each other in the fight for each other country's independence. [end recording]

The Lao ambassador added that during the past 15 years, the Treaty of Friendship and Cooperation between the two nations has continued to develop in all fields. The two countries have signed a number of agreements on economic, cultural, scientific, and technical cooperation under various forms such as non-refundable aid or non-interest loans. Vietnam has provided Laos with capital for the construction of some 100 projects in industry, handicraft, geology, irrigation, afforestation, and more hydropower projects and also for the construction of 78 warehouses, hospitals, schools, and shops.

Vietnam also undertook to improve transportation on several strategic routes and helped to build 240 kilometers of new roads. Vietnam also helped Laos train 35,000 college or post-graduate personnel, sent 4,000 specialists to work in different services in Laos, and provided Laos with a number of materials and equipment.

Ambassador Khamphet Phengmeuang affirmed that the friendship and cooperation between Laos and Vietnam contribute to the implementation of the strategic tasks of defending and building the two countries. The ambassador further said:

[Khamphet Phengmeuang] The government and people of Laos are determined to foster the special relationship between Laos and Vietnam to make it ever-green. This is in line with the reform policies of the two parties, the two states, and also respond to the aspirations of the two peoples. [end recording]

15th Anniversary of Treaty Marked

BK1807153592 Hanoi VNA in English 1442 GMT 18 Jul 92

[Text] Hanoi VNA July 18—A meeting was held here this afternoon to mark the 15th anniversary of the signing of the Treaty of Friendship and Cooperation between Vietnam and Laos (July 18).

The meeting was jointly sponsored by the Union of Peace, Solidarity and Friendship Organizations, the Vietnam-Laos Friendship Association, the Hanoi party's committee and the people's committee of the city.

Among those present at the meeting were Nong Duc Manh, politburo member of the Communist Party of Vietnam Central Committee, head of the central commission for nationalities, and president of the Vietnam-Laos Friendship Association, Nguyen Khanh, vice chairman of the Council of Ministers, and Le Xuan Tung, member of the party central committee and deputy secretary of the Hanoi party's committee.

Laos Ambassador to Vietnam Khamphet Phengmeuang was also present.

In his speech, Mr. Le Xuan Tung, after reviewing the achievements over the past 15 years of implementing the treaty of friendship and cooperation between Vietnam and Laos, affirmed.

"The Vietnamese people are determined to fully implement the treaty, and pledge to respect and constantly foster the traditional friendly relations, the special solidarity and all-round cooperation between Vietnam and Laos, for the intrerests of the two peoples, of peace, friendship, cooperation anvd development in Southeast Asia and the world as a whole".

Taking the floor, Ambassador Khamphet Phengmeuang pointed out: "The signing of the Treaty of Friendship and Cooperation between the two countries on July 18, 1977 marked a historic event of paramount importance in the special relationship, and manifested the promotion of the special solidarity and comprehensive cooperation between the two countries."

The ambassador affirmed his country's determination to defend and strengthen the Lao-Vietnamese frienship and solidarity in line with the modes and principles put forward by the two parties and government, and in conformity with the current process of renovation in the two countries.

Vice Premier Visits Denmark, Signs Aid Projects

BK1707154992 Hanoi VNA in English 1447 GMT 17 Jul 92

[Text] Hanoi VNA July 17—Vice-Chairman of the Council of Ministers Tran Duc Luong paid a visit to Denmark from July 12-15 at the invitation of the Danish Government. He was accompanied by Cabinet minister Dau Ngoc Xuan, chairman of the State Committee for Cooperation and Investment. Vice Chairman Tran Duc Luong met with representatives of the Danish Government and visited a number of companies and production establishments. Minister Dau Ngoc Xuan and the Deputy Foreign Minister [name indistinct], who is also director general of the Danish International Development Agency (Danida), signed an agreement on the use of the Danish Government's aid of 83 million kroner for the maintenance of six Danish-funded projects in Vietnam.

Visits Norway 16-18 Jul

BK2007161492 Hanoi VNA in English 1409 GMT 20 Jul 92

[Text] Hanoi VNA July 20—Vice-Chairman of the Council of Ministers Tran Duc Luong paid a visit to Norway from July 16-18 at the invitation of the Norwegian government. Vice-Chairman Tran Duc Luong held talks with the senior officials of the Norwegian government who spoke highly of Vietnam's initial but important achievements in the current renovation process and its open-door foreign policy, and expressed their wish to further enhance bilateral cooperation.

The two sides agreed to step up preparations for an early signing of agreements on investment promotion and protection and on double taxation, and other agreements with a view to promote economic and trade relations between the two countries. The vice-chairman visited some major production establishments, and met with Norwegian investors who showed their keen interest in long-term investment projects in Vietnam, first of all in oil and gas, port construction, fisheries, and in import of Vietnam's textile products, garments, and farm produce.

UNDP To Help With Management Feasibility Study

BK2007160992 Hanoi VNA in English 1359 GMT 20 Jul 92

[Text] Hanoi VNA July 20—The Government of Vietnam and the United Nations Development Programme [UNDP] signed here today a project to launch a feasibility study for a land management system in Vietnam.

This feasibility study has been conceived as a first step in analyzing the problems resulting from the absence of a land management system in Vietnam. Upon completion, the study will allow the Vietnamese Government to gain a clearer picture of its present capacity to implement and assess the feasibility of establishing a modern land management system.

As part of the economic renovation process which started in the mid 1980s, the Vietnamese Government introduced various laws to encourage management of land by individuals. This legislation has resulted in dramatic improvements in agriculture. Vietnam went from being a rice importer to the world's third largest exporter by 1990.

Despite these positive results, the lack of a comprehensive land management system is holding back Vietnam's economic develoment. The existing maps, cadastral network surveys, and land records are frequently rudimentary, heterogeneous, and incomplete.

There is no current system for valuation to determine land rates and taxes on a commercial basis.

The ten month study will be executed by the government Office of Project Execution, Coordination and Support (OPECS) with the assistance of the UNDP Office for Project Services (OPS). The project will be managed by a joint team of Vietnamese and international experts. The General Department of Land Management (GDLM) has been chosen as the government implementing agency.

The government of Western Australia has agreed to cofinance this project. The contribution of the government of Western Australia amounts to USD 997,617. The Government of Vietnam's contribution will be in kind and will amount to VND 1,676 million.

The United Nations Development Programme will contribute USD 699,669.

The signing ceremony took place at the government guesthouse in the presence of Mr. Roy Moray, UNDP resident representative; Mr. Michael Potts, ambassador of Australia; Mr. Tran Khai, deputy head of the State Planning Committee; Mr. Huynh Thuc Tan from the Council of Ministers; Mr. Ton Gian Huyen, director general of the General Department of Land Management; and Professor Le Quy An, deputy head of the State Committee for Sciences.

Development of Relations With ASEAN Reviewed

BK2007141492 Hanoi Voice of Vietnam in English 1000 GMT 20 Jul 92

["Station review"]

[Text] Vietnamese Foreign Minister Nguyen Manh Cam left Hanoi for Manila on Sunday, 19 July to sign the Bali Treaty of Amity and Cooperation at the 25th annual ministerial conference of the ASEAN to be held in the Philippines this week. On the way to Manila, Mr. Cam called on Thailand as guest of the Thai Foreign Minister. Our radio reviews some outstanding features between Vietnam and the ASEAN countries in the recent past:

Recently, important developments have taken place in the relationship between Vietnam and the ASEAN. Since 1990, many heads of states from these countries have visited Vietnam including Indonesian President Suharto, Malaysian Prime Minister Mahathir Mohamed, and Thai Prime Minister Anan Panyarachun. For its part, Vietnam has sent high-level delegations to these countries. Most notably, the ASEAN tour late last year and early this year by Prime Minister Vo Van Kiet.

During the exchanges of these visits, both ASEAN and Vietnam have agreed to let bygone be bygone and look to the future and join hands to build Southeast Asia into a region of peace, stability, cooperation, and prosperity.

As a result, from the era of confrontation, Vietnam and ASEAN have set up friendly relations and an era of multilateral ties among nations in the region. Many agreements on economic, scientific, technical, and cultural cooperation have been signed. Commercial and tourist ties have also been promoted. Most of the ASEAN countries have invested many projects in Vietnam, in which Malaysia is the biggest investor. Up to April this year, Malaysia has invested in Vietnam $75 million. Trade value between the two countries increases from $20 million in 1985 to $100 million in 1992. Worthy of note is that these countries are willing to share experiences with Vietnam in reconstruction and economic development.

Meanwhile, Vietnam and Thailand relations have made great progress. Bilateral trade value has increased from 350 million baht to 2 billion baht over the past two years. Hundreds of Thai companies and firms have entered Vietnam to seek business opportunities in the country. In April last year, the Thai government sent an aid packet of $8 million to help Vietnam overcomes difficulties which is the biggest amount of foreign aid ever sent in Thai history. The two countries have set up a joint committee for economic cooperation.

In another development, Premier Vo Van Kiet's visit to Brunei early this year, resulted in the setting up of diplomatic relations between the two countries. Both sides strengthened economic, scientific, and technological cooperation.

Mr. Nguyen Manh Cam's signing of the Bali Treaty at the 25th ASEAN ministerial annual meeting in Manila is a new landmark starting a new period of Vietnam's participation in regional cooperation.

Vo Chi Cong Congratulates Indian President

BK1707153392 Hanoi VNA in English 1449 GMT 17 Jul 92

[Text] Hanoi VNA July 17—President of the State Council Vo Chi Cong today sent a message of congratulations to Shankar Dyal Sharma on his election as President of India.

President Vo Chi Cong expressed the belief that the traditional friendship and close cooperation between the two countries would continue to be enhanced and developed in the interests of the two peoples, for peace and stability in the region and across the world.

Top Military Leaders Cast Votes in Election

BK2007144592 Hanoi Vietnam Television Network in Vietnamese 1300 GMT 19 Jul 92

[Summary] Today, together with 37 million voters nationwide, members of our people's Armed Forces enthusiastically went to the polls to elect deputies to the Ninth National Assembly to excercise their lofty duty as citizens under the socialist system.

"At 0700 sharp in Hanoi, after the sounding of a siren, a ceremony was solemnly held at the General Staff Headquarters, an organ under the Ministry of National Defense, to mark the start of the National Assembly election in the presence of Senior General Le Duc Anh, member of the party Central Committee Political Bureau and first deputy secretary of the party Central Committee Military Commission; Senior General Doan Khue, member of the Political Bureau, deputy secretary of the party Central Committee Military Commission, and minister of national defense; Senior Lieutenant General Dao Dinh Luyen, member of the party Central Committee, standing member of the party Central Committee Military Commission, and chief of the General Staff of the Vietnamese People's Army; and a large number of Army generals, officers, noncommissioned officers, enlisted men, and defense workers now working at the General Staff and at various organs of the Ministry of National Defense.

"Amid a jubilant and enthusiastic mood shown by all the voters, the top leaders of the Armed Forces were the first to cast their votes to excercise their right and lofty duty as citizens under the socialist system."

At a polling site of the General Political Department, the scene was very jubilant. Responsible cadres had ensured a quick and law-abiding election. Here, "Senior General Nguyen Quyet, vice chairman of the State Council; Lieutenant General Le Kha Phieu, secretary of the party Central Committee, standing member of the party Central Committee, and head of the Political General Department; and other leading comrades of the Political General Department were the first to cast their ballots."

It was the desire of every voter of the General Political Department to exercise his mastery with the highest sense of responsibility in choosing deserving candidates for election to the National Assembly, the highest organ of state power.

"At the Army's art troupe area, the election was conducted in a quick, neat, orderly, and safe fashion. To make sure that all the voters could exercise their right as citizens, the relevant electoral committee brought a mobile ballot box to the houses of those voters who could not go to the polls because they were paralyzed or war invalids with a high degree of disability. Here on the television monitor, you, friends, were viewing a very emotional scene involving two war invalids—Colonel Nguyen Trong Oanh, an Army writer whose body is half-paralyzed, and Naval Major Nguyen Duc Hai with both of his legs hung up in slings because they were contaminated with toxic chemicals—excercising their duty as citizens."

Let us listen to a young soldier's impression:

[Begin recording] I am Vo Minh Duc, 18, a combatant of the 104th Brigade. This is the first time I have gone to the polls and I feel very happy to excercise my duty as a citizen. [end recording]

As youths who are holding their rifles firmly in their hands to defend the fatherland's sovereignty, all our cadres and combatants believe that the Ninth National Assembly will lead our people more steadily forward along the socialist path already chosen by the party and Uncle Ho.

Le Quang Dao at Hat Tay People's Council

BK1807150092 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 14 Jul 92

[Text] The Ha Tay provincial people's council met recently to review the socioeconomic situation during the first six months of 1992 and to discuss tasks for the last six months. Also present was Comrade Le Quang Dao, chairman of the National Assembly and vice chairman of the Council of State.

Based on its orientations for socioeconomic development in the agricultural field, the Ha Tay provincial people's council decided to turn over the right use land on a long-term basis to peasant families so that they will be responsible for the improvement and rational exploitation of land to create an abundant source of farm and forest products for society.

Summer-Autumn Rice Crop Transplanting Completed

BK2107065392 Hanoi VNA in English 0606 GMT 21 Jul 92

[Text] Hanoi VNA July 21—By July 15, 1992 farmers throughout the country had completed the sowing and transplanting of 1,352,000 hectares of the summer-autumn rice crop, making up 99.2 percent of the plan, or increasing 2.1 percent over the same crop last year. Meanwhile, farmers in southern provinces had harvested 227,000 hectares of early summer-autumn rice. In addition, nearly 1,195,000 hectares of the autumn rice had been planted, accounting for 44.52 percent of the plan.

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war. Although the territorial issue is not the only matter pending between Japan and Russia, no peace treaty can be concluded between the two countries without a resolution of the issue. If the president pursues the policy of attaching great importance to Asia and focuses his efforts on breaking a deadlock in Russo-Japanese relations, there is little he can do except to work hard to persuade the Russian public on the need to resolve the territorial issue with Japan.

Miyazawa Repeats Objection to Rice Tariffication

OW1907031092 Tokyo MAINICHI SHIMBUN in Japanese 19 Jul 92 Morning Edition—FOR OFFICIAL USE ONLY

[Received via Nikkei Telecom data base]

[Text] Prime Minister Miyazawa held a news conference on 18 July in Fukushima while on a stumping tour. Referring to the issue of liberalizing rice imports to Japan, the prime minister said: "There is no change in the government's position to negotiate in line with resolutions adopted at the Diet." In this way the prime minister reiterated his objection to the liberalization of rice imports through "tariffication without exception" as offered by Director General Dunkel of the General Agreement on Tariffs and Trade (GATT). As reasons for his objection, the prime minister said: "I believe that, in the present situation where no measures are taken to balance export subsidies and border measures, and where the position of (farm produce) importers is not taken into consideration, it is not appropriate to remove all obstacles to agricultural trade only through tariffication."

On the need to examine the creation of an Asian version of the Conference on Security and Cooperation in Europe (CSCE), which he referred to while speaking at the Japan Press Club on 14 July, the prime minister said: "It is still premature to create such an organization. All Asian nations should have thought about it." However, the prime minister indicated the creation of such an organization should be discussed at the foreign ministerial talks of the Association of Southeast Asian Nations (ASEAN) and at the Asia-Pacific Economic Cooperation (APEC) conference.

* Low-Pollution Car Technology, Future Viewed

922A0280A Tokyo EKONOMISUTO in Japanese 16 Jun 92 pp 70-74—FOR OFFICIAL USE ONLY

[Article by Kei Tsugawa: "Diluted NOX Emission Control Law a Step Backward"]

[Text] **Why Low-Pollution Cars Lack Wide Popularity**

How should low-pollution cars like the electric car and the methanol car be treated? Because their positioning has not been decided, there is a danger that the development technology of low-pollution cars may end in a futile effort.

Are Gasoline Cars Adequate?

Images often walk by themselves. In June last year (1991) at the 1991 Low-Pollution Auto Fair held at Yoyogi Park in Tokyo, former director of the Environment Agency Kazuo Aichi test rode an electric car and reportedly gave his impression as follows: "There is little noise and the ride is comfortable. I was impressed that it has come this far."

Perhaps his remark was partly diplomatic, but it is true that the car is quiet. Nevertheless, it is also a fact that the lack of noise is a drawback.

Today, the total number of electric cars actually running in Japan is reported to be about 1,400. Gasoline/LPG [liquid petroleum gas] cars and diesel cars total about 60.65 million (as of December 1990), of which 1,400 are electric cars. It is a mere drop in the bucket so to speak.

Moreover, wide popularity is not likely for the time being. This is in spite of the fact that the volume of gas emission—in particular, NOX [nitrogen oxide] continues to rise, and fundamental corrective measures are urgently demanded.

The electric car is of course a driving system that stores electric power in batteries and runs by turning a motor. Its energy efficiency is much higher than the gasoline car. Also, it is possible to recharge the batteries during the night by using electric power, and to thus equalize electric power demand. This is strictly a matter of figures but, from the standpoint of energy consumption in Japan as a whole, energy-savings beyond imagination can be expected.

The electric car itself is certainly clean. However, there is an argument that, if power demand goes up, there will be a commensurate rise in the number of power-generating stations, and the pollution problem remains the same. It can certainly provide an excuse for the promotion of nuclear power generation. However, according to the "emergency proposal concerning car pollution countermeasures" (13 June 1991) compiled last year by the Japan Federation of Bar Associations [Nichibenren], "if electric cars increase broadly and require additional power-generating stations, and if they are thermal power stations that use heavy crude oil, the overall domestic oil consumption will be reduced due to a decrease in gasoline and diesel cars and the high efficiency of electric cars."

However, there is little desire to abstain from gas emission—at least, among the major car producers.

First, regarding passenger cars, there is a concept that the gasoline cars of the so-called "Otto type" are adequate. NOX, carbon monoxide, and hydrocarbons have been virtually eliminated with the development of the three-way catalytic converter, and the 1978 control law, which is said to be the strictest in the world, has already been cleared. In other words, the current passenger cars are considered to be low-pollution cars, and this is commonly recognized by such government agencies as MITI [Ministry of International Trade & Industry], MOT [Ministry of Transportation], and the Environment Agency. Incidentally, the 1978 control law stipulates that "the emission of NOX exceeding an average 0.25 grams per kilometer of driving distance or a maximum of 0.48 grams is prohibited," and it severely restricts emission to one-ninth of the amount under the 1973 control law. However, the number of Otto-type passenger cars has definitely risen. The figure as of October 1991 was 34.52 million, which is roughly 2.1 times the number in 1978, and

5.3 times the number in 1970. At this rate, the control law could eventually prove ineffective.

Achilles' Heel of the Electric Car

The electric car has a major weakness. It is the short driving distance per battery charge. The maximum is 150 kilometers, and it is inadequate for long leisure drives. Consequently, its use is limited to small trucks for deliveries within a narrow range of distance. Taking advantage of this with gusto is the Daihatsu Motor Company. In March this year, the company transferred its manufacturing functions to a subsidiary—the Daihatsu Auto Body Manufacturing Co—and prepared a system for increased production. It invested 200 million yen in R&D, and doubled its operations division personnel of 30 employees. It has already started an exclusive production line on the scale of 1,000 trucks.

What are the carmakers other than Daihatsu—in particular, Toyota and Nissan—doing?

Nissan already displayed electric cars in the 1970 auto show, and therefore has a long history. Today, however, they are the type used in resort areas, while its practical type is the garbage pickup truck jointly developed with Fuji Heavy Industries and Hitachi.

Toyota has developed several models with the "Town Ace Van" as the base. Its chief customer is the Yamato Transportation Company with a price tag of about 20 million yen each.

According to the DENKI SHIMBUN [Electric Daily] (1991 PR edition) published last year, Toyota's policy is production by order for the time being. It reports that "the market for electric cars has not matured to the point of establishing an exclusive production line."

Mitsubishi Motors makes the Lancer Van. Mazda builds the Bongo Wagon. Isuzu has jointly developed the world's first electric truck with Co-op Dendo Sharyo [Co-op Electric Vehicle]. It is limited to garbage pickup and postal deliveries.

With the exception of Daihatsu and Isuzu, the passive development posture of the automakers is mainly due to the fact that most of the products are not exclusive models but revised versions of conventional models. The development period of revised cars is short, the cost is low, they easily pass inspection and the brand names remain the same, which facilitates confidence among the users. However, the merits have sometimes turned into limitations. Most noteworthy is the aforementioned short driving distance per electric charge. Of course, the distance could be extended by mounting a large number of batteries, but they would become a heavy load. Without mentioning the company name, the test product of one manufacturer is a two-ton truck loaded with 54 batteries weighing 24 kilograms each, and totalling 1,296 kilograms. It is difficult to know whether its purpose is to carry freight or batteries. The caliber could be improved by using nicad instead of lead, but it would be costly pricewise.

We do not consider the electric car to be the only solution to the NOX problem, and there are such worrisome problems as the export of used batteries to Southeast Asia. Nonetheless, the "cold treatment" is difficult to understand.

The skyscrapers in Los Angeles are covered by yellow smog. In September last year, the California legislature passed a gas emission control law. The objective is to limit organic substances in exhaust gases to 0.062 gram by the year 2003, and to increase electric cars to 10 percent of all cars in order to achieve the objective.

California is a major consumer state that claims about 10 percent of all cars in the United States. Japan, known as an exporting nation, owes its survival to the mammoth market in the United States. In order to sell more cars, it must raise the proportion of low-pollution cars—i.e. electric cars. Thus, the low-pollution car concept was born with an eye on both the domestic market and foreign markets.

Amid these circumstances, the electric car in Japan is still in a developing stage of technology.

In February this year, we rode on an electric car made by a certain automaker which is reported to have the potential for broad dissemination as a practical car. Without mentioning the brand name, we will merely say that it is a van type loaded with eight lead batteries weighing 42 kilograms each, and with a driving distance of 100 kilometers per electric charge (six hours).

One, it cannot carry an air-conditioning unit. Frankly, it was cold. Moreover, an odor like vaporized sulphuric acid permeated the car interior. The culprit was battery liquid.

The driver's seat was not comfortable in any sense of the word, due to the transmission and tire noise. However, to the pedestrian outside, it is an extremely quiet car, which is actually a problem. An ordinary car will coast quietly with inertia when the engine is cut off. It is similar to that. The pedestrian cannot notice the car approaching until it is about 50 centimeters away. Therefore, extreme caution is necessary where there are numerous narrow side streets.

Other weaknesses of the electric car are its lack of power, bad acceleration and inability to negotiate steep hills with a heavy load.

In addition, the batteries wear out quickly with sudden starts. Also, in the gasoline car, the engine brake is naturally engaged when the foot leaves the accelerator, but it is overengaged in an electric car. In effect, it is either stop or go, and no half-throttle is possible.

Another problem is inadequate gauging or inability to measure the remaining energy. Consequently, the car halts suddenly (when the energy runs out). Already in Tokyo, four out of five cars have stalled due to loss of battery power. They can be recharged by turning off the engine for an hour, but it could cause a calamity on the capital superhighway.

In October last year, the Tokyo Electric Power Company produced the world's top-class "ZIA" electric car. With its speed of 176 kilometers per hour and driving distance of 548 kilometers per electric charge, it won fame as a "record breaker." Of course, it is equipped with air conditioning and a car stereo. It attracted attention within the industry but cost 200 million yen to build. The conclusion is that a "comfortable" electric car is not necessarily a pipedream if unlimited funds can be spent for production.

Today, many local communities in Japan provide subsidies and, in many cases, they purchase electric cars to prove that they are "cooperating with pollution control." Actually, however, the drivers shy away from them.

Methanol Makes Its Debut

On 25 May 1992, the upper house passed and enacted a resolution called "special measures law on the reduction of the total volume of nitrogen oxides emitted by automobiles in specific regions." It is the so-called NOX volume control law submitted jointly by the Environment Agency with MITI and MOT. The agency says that, if the law is implemented, "a maximum 20-percent NOX reduction with restriction of the use of auto types, in addition to a 10-percent cut accompanied by rationalization of physical goods districution and dissemination of low-pollution cars, or a total reduction of 30 percent can be expected." However, strong protests are already being raised in those specific regions—i.e. Tokyo, Kanagawa and Osaka prefectures and the urban areas in those regions.

The Environment Agency had already openly displayed a posture of leaning toward the industry side with a broad easing of NOX emission standards in 1978, but even the eased standards could not be attained in the target year of 1985, and the lag continues to build up

Between 1985 and 1988, the growth rate for gasoline/LPG cars was about 10 percent compared to a 32-percent rise in diesel cars. During the same period, gasoline consumption rose by 6 percent, while light oil for diesel climbed 18 percent. Light oil has strong power and the cost per liter is low. However, the NOX emission by diesel cars is reported to be 10 times or 30 times higher than gasoline cars.

Every year, the Environment Agency is obliged to post-approve current circumstances through its "interim outlook" and "new interim outlook." In November 1990, it announced its policy on NOX reduction—the so-called "interim summary." In it, it stressed the need for 1) total volume control of car gas emission related to plants and business offices, 2) regulation of car types used, and 3) the introduction of driving regulations by the Stekker formula (driving of cars not conforming to standards is banned). However, the final report at the "review meeting on NOX emitted by automobiles" in October 1991 again faced fierce resistance by the industry. Consequently, items 1) and 3) were bypassed with only item 2) remaining. To this was added the rationalization of physical goods distribution, resulting in the submission of the recent resolution.

Furthermore, the imposition of penalties and order for improvement against enterpreneurs suggested in the "interim summary" totally disappeared, and the governor's authority in the specific regions was completely ignored. In other words, the means whereby local governments could strengthen controls by adding their unique regulations to the resolution was virtually cut off.

With the above circumstances as the backdrop, how is the low-pollution car positioned?

MITI and MOT regard gasoline cars as low-pollution cars, as was mentioned before. The problem concerns buses and trucks. As is clear from the rejection of the Stekker formula, the influx from the other regions is unquestioned, and only the two-ton class trucks bustling about in the specific regions are treated as low-pollution automobiles.

Hideji Fukumoto, chief of MOT's energy policy office in the policy bureau, says: "The electric car clearly lacks power, and the battery load is heavier than the freight it carries. We envision that, by the year 2000, we will see one in every several cars using methanol."

The methanol car, which is unfamiliar to most people, has leaped into the limelight. At present, a total of 153 methanol cars are being test-run in Japan. According to Fukumoto, it is "like looking for a contact lens in the desert."

Why Low-Pollution Cars Lack Wide Popularity

Methanol is methyl alcohol made chiefly from natural gas. It is colorless and transparent, and the material for making formalin. When it is used for car fuel, it has the following merits. One, its octane value is high, and its power equals light oil. Its CO and HC emission is close to zero, while NOX is about one-half compared to the diesel car. There is no emission of black smoke. On the contrary, the smoke emitted from the tailpipe is almost transparent.

Why has such an ideal fuel not been formally recognized? Therein lies the complex history of Japan's energy policy.

MITI Versus MOT

Following the oil shocks more than 20 years ago, an international energy organ was established at the United Nations. Under it was formed a methanol section as one of four sections that included the promotion of nuclear power generation and stockpiling policy. At that time, the Japanese Government did not participate because its energy policy under MITI's guidance had not recognized natural gas as car fuel due to the powerful influence of oil capital interests. Later, it was the MOT energy policy ofice that approved methanol as a substitute fuel for oil.

Subsequently, the truck transport industry and the methanol industry persuaded the financial circles to establish the Japan Methanol Company in 1985. The work of this company entailed purchasing cars from the producers at cost, converting them into methanol cars and leasing them to transport businesses and local governments. The low-pollution test using methanol was started by the private sector—particularly with the initiative of the users. It was MOT that provided the backup support.

Talking about a converted car is easy, but the cost is quite expensive. For example, in the case of trucks, when a dealer buys an engine as a component, it costs about 250,000 yen, but it costs about 1.5 million yen if it is developed for methanol use. An Otto-type carburetor costs between 20,000 and 30,000 yen, but costs 500,000 yen for methanol

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use. In effect, the price for each carburetor rises about three-fold. Of course, the cost will drop when mass production becomes possible.

Meanwhile, there is absolutely no indication of existing automakers' cooperating in the form of exclusive development, and they a[illegible] backed by MITI.

MITI's resources energy agency provided subsidies, centering on the oil industry, and it established the Oil Activation Center (foundation) in 1986. As a part of its business, it began to conduct R&D on the methanol car. Automakers led by Toyota and Nissan are cooperating by providing both Otto and diesel types of methanol cars.

MITI's advantage is the 507 billion yen it receives in annual oil taxes (for this fiscal year) as purpose taxes. Of this, it can use 39.9 billion yen for substitute energy measures.

The Oil Activation Center has mainly promoted the M85 experiment in which a 5 percent quantity of gasoline is added to methanol.

In the case of 100-percent methanol—i.e. M100: 1) the burning flame is invisible, 2) it has no odor and, 3) under ordinary atmospheric temperatures, it creates an explosive mix inside the tank, resulting in the danger of a fire explosion. Therefore, if it is changed to M85, safety equal to gasoline cars is assured. However, the current issue involves NOX reduction in diesel trucks and buses. For this purpose, methanol is meaningless unless it is 100 percent.

For example, if a diesel engine is rated at M85, it is necessary to mix light oil to increase ignitability. However, there will be three kinds of gas emission in the case of methanol, gasoline, and light oil, and it would not reduce NOX. Also, as long as there is light oil, catalysts cannot be used.

The Japan Methanol Company is located on the 9th floor of the Second Kawakami Building in Yotsuya, Tokyo, and has eight employees. The chief of the General Affairs Department, Ichiro Kasamatsu, says: "The thinking differs widely depending on whether methanol is considered to be substitute energy or a trump card for low pollution. M85 may be appropriate for an Otto-type passenger car, but it is a problem for consideration after the NOX reduction measure is successful."

First of all, as far as exports to the United States is concerned, they will not pass (customs) unless they are 100 percent.

Also, MOT's director Fukumoto says: "According to the fleet tests (city driving tests) that have been conducted so far, not a single accident (mentioned by the Oil Activation Center) has occurred."

A Kind of Alibi?

The Itabashi Ward in Tokyo is a local community that is the most enthused about popularizing the methanol car. The ward chief says: "We do not care how much it costs. The health of the ward residents is most important."

The ward office has provided about 70 percent of financial assistance to the transport companies with business offices in the ward. It inaugurated a system in FY 1990 that enables them to bring in methanol cars at a cost not much different from conventional cars.

There were already 13 cars at the end of January this year, or 16 cars including the ward office cars. In the entire Tokyo Prefecture, the number is 85 cars (20 for the Home Affairs Ministry and 65 for the private sector). Therefore, Itabashi Ward alone has an 18.8-percent share. Also, a methanol filling stand was put into operation on the grounds of a transport company—the first of its kind in Japan.

In September last year, the Seven-Eleven Stores signed a contract with a transport company to use methanol trucks for deliveries.

However, such step-by-step efforts by the local governments and private industry could end in limbo due to the emasculation of the control law regarding NOX emission.

MITI says it will promote a plan called "Eco-Station 2000" to establish 2000 filling stations among the approximately 60,000 stations throughout Japan by the year 2000. They will supply methanol, electricity and LNG. It is definitely a step forward, but conversely only about 3.3 percent of low-pollution cars will be on the road in the early 21st century.

At that rate, low-pollution car development could be considered as a mere alibi.

What is crucial is not quantitative control, but the manner of car reduction. "Environmental pollution is detrimental, but we do not wish to give up our confortable life."

Unless such a posture is overcome as soon as possible, low-pollution car technology will end as a futile effort.

(Kei Tsugawa—Member of the Citizens Committee To Consider Wastes. Born in 1931. Graduated from Waseda University literature department. Publications: *The Computer Revolution and Local Self-Government* and others.)

Summary of Draft 1992 Defense White Paper

OW2107022892 Tokyo SANKEI SHIMBUN in Japanese 18 Jul 92 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Text] The following is a summary of the draft 1992 Defense White Paper that was published on 17 July.

General International Military Situation

1. While the possibility of a global-scale war occurring is slim, the international community is exploring a new global peace and order.

2. With the end of the cold war, the United Nations is displaying more vigorously than ever its function in maintaining peace and order in the world.

3. At present the international community has yet to become an ideal society that does not need a deterrent function against military strength.

Security Climate Following the End of the Cold War

(The End of the Cold War and the Task for the International Community)

The Gulf crisis provided an example that not only economic sanctions and diplomatic means, but also the use of force, are necessary to safeguard peace and order in the international community.

(The Disintegration of the Soviet Union and Moves of the Military)

Moves by the Commonwealth of Independent States (CIS) remain uncertain and it is hard to make a judgment on what the former Soviet forces will be like. The existence of huge war capability, including nuclear weapons, however, is a destabilizing factor in the international community and it is necessary to continue to pay close attention to them.

Measures to Deal With New Climate of Security

(Omitted) [as published]

(The Military Preparedness of Former Soviet Forces in the Far

East)

1. Russia maintains military strength in the Far East beyond its defense needs.

2. The activities of war ships and military aircraft are on the decline and their training and exercise are also in low profile.

(The Military Preparedness of China)

1. China is making moves to buy fighters from Russia and the sphere of China's naval activities is expanding. It is necessary to pay close attention to China's future moves.

2. China is shifting from "quantity" to "quality," while stressing the importance of modernizing military equipment, science and technology.

3. China promulgated the Territorial Waters Law in February this year and the law clearly stipulates that the Spratly Islands are China's territory. The military has been given the authority to use force against any violation of China's territorial waters by foreign nations. It is necessary to pay attention to this point.

(Taiwan)

A defense report, made public in February this year for the first time, calls China the biggest threat to Taiwan.

(The Military Situation on the Korean Peninsula)

The military situation on the Korean peninsula is still a destabilizing factor to the security of the entire Northeast Asia region, and the Korean peninsula is a region where military tensions run highest. North Korea is making moves to develop missiles with a range of 1,000 km, and this deserves Japan's concern.

Japan's Defense Policy

1. Japan will study the review of the current Defense Buildup Plan, taking into account trends in the international situation and various factors. Based on the outcome of this review, Japan will build up its defense capabilities, while streamlining the organizations and deployments [of the Self-Defense Forces] and improving military equipment.

2. The attached lists of the "Defense Guidelines," that set the procurement of mainstay military equipment, will be changed based on the outcome of the review.

International Contributions and the Self-Defense Forces

UN peacekeeping operations (PKO) are called activities designed to maintain peace in the world and Japan intends to make full use of the Self-Defense Forces [SDF] within its capability to cooperate with the PKO and humanitarian international relief efforts.

(Neighboring Nations' Understanding of Overseas Dispatch of the SDF)

1. Some neighboring nations have asked Japan to deal cautiously with the issue of sending the SDF abroad.

(Plans by the Defense Agency)

1. The UN Transitional Authority in Cambodia (UNTAC) is now working to bring peace to that country and the Defense Agency is studying the SDF's participation in the UNTAC through rear logistic support activities. The agency is making full preparations for dispatching the SDF to Cambodia.

South Korea

* Japanese Journalist Views Presidential Race

922C0163A Tokyo ZAIKAI TEMBO in Japanese Jun 92 pp 112-116—FOR OFFICIAL USE ONLY

[Article by staff writer Yoshikazu Ino: "The Post-No Race in Confusion Due to the Defeat of the Ruling Party"]

[Text] **Former Prime Minister Takeshita Visits ROK Shortly After Ruling Democratic Liberal Party [DLP] Defeat**

The ROK general elections conducted on 23 March ended in the ruling DLP's failure to win a simple majority, contrary to the general expectations.

The counting of votes started at midnight of the same day, and continued all through the night, and this writer, too, stayed up all night, awaiting regular telephone and FAX reports from people concerned with the elections and journalists in Seoul. Before everything else, I was interested in how many assembly seats the Unification National Party [UNP], an "eye-catcher" in the recent general elections, could obtain.

Needless to say, I was not the only one who had such an interest. When a person reads the history of the political and financial world in the ROK, he or she will find that the ROK financial circles, particularly its financial tycoons [chaebol], have formed and maintained "interdependent" relations

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with successive political regimes. In the past the chaebol grew up and enjoyed prosperity under the deep protection of the successive regimes. On the other hand, each regime (one in power) of a specific time forced "absolute obedience" on those chaebol in various ways, and the chaebol also continued to show their obedience (although they felt aggrieved by this practice at times).

Yet it is true that there were some courageous chaebol enterprisers who dared to show their opposition.

They were the owners of "Taechang," "Yonhap Steel," "Myongsong," and "Kukje Corp." However, what awaited them was all-out "family annihilation maneuvers" by the regimes at the respective times.

All the more because this "lesson," attention at home and abroad was focused on future relations between President No and Hyundai Group Honorary Chairman Chong Chu-yong. Those relations began to deteriorate in one breath last fall. In view of what may be called the "limit" on the part of the chaebol as stated above, many people thought that a truce would eventually be proposed first from the side of Chairman Chong at a certain time, or that the Chong's would soften its attitude in order to effect a "settlement" even through the help of a third party. However, Chairman Chong did not intend to sheathe his sword at all, although it was not clear if the "stubbornness of the aged" was responsible for this attitude or if he was driven by the self-confidence that even a president could not easily annihilate the largest chaebol, which earned over 20 percent of the ROK GNP. On top of this, he astonished the general public by gearing up his move in earnest to form a new party as soon as the year opened.

The move deserved special mention not only because it actualized a chaebol's desire to advance into the field of politics against the backdrop of its ample funding capability for the first time in the history of the ROK. The move was worth mentioning also—nay, more so—because it represented a chaebol's sweeping declaration of intent to flatly deny for the first time the past relations of strength and power structure characterized by the following view: "The chaebol (enterprisers) are always placed under political regimes (those in power) and cannot go beyond their status as merchants serving the government."

Nevertheless, the general view of Mr. Chong Chu-yong as an individual, which was held by the public at large in the past, was reportedly that he was "a capitalist who has skimmed the cream off the top through cohesion with successive military regimes" although, on the other hand, he was also called a "hard-working person who has climbed the ladder of success, starting with an empty pocket and finally becoming the owner of the largest chaebol in the ROK." In addition, although the UNP intended to play up its character and attract the public by keenly criticizing the No government, some people naturally viewed strongly that after all it would unavoidably become the so-called "subservient party" serving Mr. Chong as an individual or the Hyundai Group at large inasmuch as it held Mr. Chong as its head (concurrently as its owner). Therefore, the party was considered to have a certain limit to its expansion of strength after all.

Before the general elections, predictions within the DLP are said to have generally agreed on the following point: "The UNP may obtain 15 or 16 assembly seats as a result of a good fight by incumbent assemblymen (10 persons) whom the party won over from other parties when it was formed, and also by renowned scholars and TV talents who newly joined the party; yet, it will be hard to win 20 assembly seats, a minimum target set by Mr. Chong and others, which are necessary to form a group large enough to have a legislative bargaining position in the assembly."

However, there was also another analysis within the DLP which projected the worst estimation for the party. It was the following "reference prediction" which was often cited within a group belonging to the former Democratic Justice Party [DJP] faction:

"There are 21 or 22 constituencies in which the UNP candidates are certain or almost certain to be elected, and there are 18 or 19 constituencies in which the party's candidates are expected to wage close contests." It was thus an undeniable fact that there was more than a little misgiving within the DLP about the rise of the UNP.

Before the election campaign, I also heard an expert source expressing support for the view that the UNP would take a great stride forward. Therefore, I immediately introduced the "reference analysis" at an anonymous round-table talk hosted by the "T" weekly journal in our country. (The journal was put on sale on 30 March, but the prediction was struck off though I am not sure if the cut was made in accordance with the intention of the editorial staff.) In this context, I was all the more interested in the number of assembly seats which the UNP would win and looked into hour-by-hour prompt reports of the election returns sent by my friends and acquaintances from Seoul.

Persons Whom Former DJP Intended To Have as Candidate

The ruling DLP narrowly secured a majority by additionally approving successful independent lawmakers as its members. In this connection, there was an influential politician in our country who made a particularly sensitive reaction to this result indicating greater-than-expected strides forward by opposition parties—the UNP and the Party for Peace and Democracy [PPD]. It was former Prime Minister Noboru Takeshita.

On 25 March (the voting date: 24 March), Mr. Takeshita transmitted to the ROK side his desire to hurriedly visit South Korea and arrived in Seoul where the furor of the election campaign was still lingering.

Well-informed sources in both Japan and the ROK have the following common view on the purpose of the recent visit to the ROK by Takeshita: "It was designed to explore the situation to see if the new development, that is, the ruling DLP's defeat in the general elections, would affect the party's selection of its next presidential candidate and, particularly, if the party's Executive Chairman Kim Yong-sam (to be called YS hereafter, using his initials, in accordance with a wide practice in the ROK) would unchangingly be regarded as the first choice for the post-No position." However, the following rumor was also afloat: "Mr. Takeshita wanted to meet a certain influential person who was expected to announce himself as an earnest contestant in the post-No race in response to the confusion created in the race and whom Mr. Takeshita tacitly supported in a private capacity. By meeting him, Mr. Takeshita intended to sound out his intentions and then convey the desire to support him indirectly. This may have been the prime purpose of his recent visit to the ROK."

Pak Tae-chun, an executive member of the DLP—this is the very person whom Mr. Takeshita allegedly intended to support— even took the trouble to visit the ROK.

The two persons are said to have a very intimate relationship. Both serve as chairmen of the Japan-ROK or ROK-Japan Parliamentarians League with Mr. Takeshita representing the Japanese side and Mr. Pak, the ROK side. The two persons are also "sponsors" of "Tomonkai," a friendship society of the Waseda University graduates, both representing the Japanese and ROK sides respectively. In February 1990, the DLP was born through the merger of three former parties—the DJP, the Reunification Democratic Party [RDP], and the New Democratic Republican Party [NDRP]. At that time, at the request of President No, Mr. Pak joined the party to serve as, so to speak, a man to tie up former DJP members. The role he has played as an influential intermediary between our country's Liberal Democratic Party and President No also cannot be overlooked. Therefore, it was expected that if Mr. Pak were installed as the next president, Japan and the ROK would enjoy the smoothest bilateral relations, particularly for Mr. Takeshita. It was no wonder that Mr. Takeshita deepened his interest in Mr. Pak all the more.

Within the ROK as well, the Kim Yong-sam camp used great caution against Mr. Pak, regarding him as a strong rival candidate. After all, the DLP's former DJP faction announced that it had chosen Assemblyman Yi Chong-chan, an influential young man, as its unitary candidate; however, to what extent would it be possible for him to prevail over other ambitious men of influence like YS and get elected as the DLP's formal candidate at the party convention in May? Moreover, could he win the race with candidates from opposition parties such as Kim Tae-chung and Chong Chu-yong in the presidential election in December this year? Until now, various views, scenarios, and speculations have appeared, spread, then disappeared, and again appeared and spread daily within and without the political world of the ROK, and this state is still continuing. The continuation of this situation is attributable to the dizzy and open bargaining carried out day after day among groups, one supporting YS, another intending to back up Mr. Pak, and the third still taking a wait-and-see position.

The largest reason for this development is President No's failure to disclose until now the person whom he prefers. Instead, he gave the instructions to "elect the formal candidate through fair and aboveboard open competitions at the upcoming party convention."

A person related to the DLP makes the following remark:

"Things would be resolved in one breath if President No named a person and said 'I prefer him' whether 'he' happens to be YS or anyone else... Our first priority is our party's victory before everything else. What we have done thus far within the party will become meaningless if our candidate is beaten by any other party candidate in the final showdown. They all know this more than enough in their hearts, but are uselessly absorbed in political strife day in and day out."

Undoubtedly, this remark is to the point.

Then, why has President No not yet clarified (nay, cannot clarify) his support for a specific person? The reason, after all, seems to be that YS is not the person whom he thinks to be appropriate as the next president. However, if the president reveals this, YS will bolt from the party, create a new party, and run for president as its candidate even if he has to fight a losing battle. In case things develop this way and the so-called "four-person showdown" has to be waged, many expert sources say that it will be totally impossible to make a guess about the victory of the DLP's candidate. This is what President No and those related to the former DJP are really worrying about.

This was also the point at issue which the former DJP faction faced when it decided on its unitary candidate. An emergence of powerful Mr. Pak as a candidate was feared to touch off Mr. Kim Yong-sam's secession from the party, and so President No is said to have applied "pressure" on Mr. Pak, resulting in Mr. Pak's withdrawal of his candidacy.

Mr. No's Fears of Ruling Party's Split and of Making Same Error as Chon Tu-hwan

There is even the following persuasive analysis in and out of the DLP: "If the DLP does not split and succeeds in producing a unitary candidate whether YS or anyone else is picked, it is highly possible for the candidate to be elected by gaining nearly 36 percent of the votes—the same rate as attained at the previous (1987) presidential election—in view of the party's organizing, mobilizing, and funding capabilities. However, in case the party splits, the floating votes' departure from the ruling party will further progress because of additional damages to the image of the party. As a result, the vote obtainment rate is expected to drop far below even 30 percent. Consequently, it is feared that the party may be tripped up by Kim Tae-chung who has fixed votes ranging from 26 to 28 percent or by Chong Chu-yong who might collect around 25 to 30 percent votes by again absorbing—as it did in the general elections—the ballots of the common people, who are fed up with politics, which never change for the better, as well as with politicians."

Let us suppose that President No has his choice among former DJP members such as Mr. Pak Tae-chun and Mr. Yi Chong-chan. Under these circumstances, however, it is no wonder that President No cannot mention the name of the person of whom he is thinking.

In the first place, the merger of the three parties in February 1990 was a move among influential leaders who might be compared to "Wu and Yueh [two bitter rival states in ancient China] placed in the same boat by fate" as the saying goes. President No and members of the former ruling DJP were anxious to restore the ruling party's majority in the Diet which had been lost in the general elections in April 1988. They also wanted to hold down the power of Kim Tae-chung, head of the then largest opposition party, against the backdrop of such a Diet condition. To this end, they attempted to win YS over to their side even by issuing a "fictitious bill." This "fictitious bill" is the constantly rumored so-called "secret promise" to arrange the next presidential seat for YS. However, what President No had in mind then was the notion to introduce the cabinet responsibility system through an amendment of the Constitution and, under this system, provide YS with the honorary presidential post at best (accordingly, this post does not have so powerful an authority as one under the present system). This has begun to be revealed recently, particularly by people concerned. Therefore, the "bill" was a "fictitious bill" in substance.

On the other hand, as a man who had devoted himself to the world of politics for over 30 years, and kept opposing successive military governments as one of the standard bearers of the opposition camp together with Kim Tae-chung, YS must not have been so optimistic as to believe that the "bill" which was presented by the No regime (or which YS himself demanded on his own initiative) on the eve of the merger would easily be "honored" (accepted) later. Nevertheless, YS must have ventured into the merger on the basis of a conclusion that a shortcut to coming into power is to make the best use of his chance within the ruling party, expand his influence there, and amass good performance records and experiences. In this context, it cannot be that YS will be satisfied with a mere honorary post.

Moreover, in the history of the ROK regimes, old regimes have unexceptionally been denied by new regimes. Accordingly, almost all characters and forces which wielded power under an old regime were not only forced to retire from the actual stage of activity, but also compelled to live a life in despair and despondence with no chance of "reinstatement."

Therefore, the members of the former DJP faction are getting all the more fearful that, no matter what affable remarks YS made to other factions before seizing power, once he comes to power YS will eat his words and "we might gradually be kept away from the center of power and finally 'enervated'" although they belong equally to the ruling party. What is more, as already mentioned, through many years in the past the former DJP faction (so to speak, the mainstream of conservatism) and the YS-led RDP faction, which was an out-and-out opposition group, never got along well in anything, mixing like water and oil. Therefore, there was no possibility of their easily getting mixed as one body from the beginning. Seeing their feud and frictions repeated during the mere two years since their merger, it is also unlikely that the two factions will have smooth relations in the future.

In choosing a presidential candidate under such circumstances, the two factions will, after all, find it extremely difficult to settle things through talks. A showdown vote between candidates from the two factions or President No's virtual nomination of the candidate will be the only way to settle this issue.

Prospects of Ruling Party's Race for Presidential Candidate Still Remain Unclear

Now, let us return to the original subject. In the ruling party's race for presidential candidacy, the former DJP faction has narrowly succeeded in choosing Mr. Yi as its unitary candidate, thereby firmly setting a stage for a man-to-man fight between Mr. Yi and Mr. Kim Yong-sam who already announced his candidacy. However, the former NDRP faction and the middle-of-the-roaders have not yet expressed their positions, leaving the prospects of the race still unclear.

Next, in case a person other than Mr. Kim Yong-sam is selected as the DLP's formal candidate, will he be able to win in the final showdown? As to this question, not a few people related with the DLP actually express their misgivings.

One of the former DJP members who, though small in number, have come round to support YS, says: "we, the group of those who have swung over to YS, share the opinion that perhaps, neither Mr. Yi Chong-chan whom a majority of the former DJP faction intends to put up as the candidate nor Mr. Pak Tae-chun is able to win in the final showdown."

Worse still, as already mentioned, if one from the former DJP faction gets chosen as the formal party candidate, there is a very high possibility that YS will bolt from the party. In case the DLP plunges into the final showdown with its intraparty split unresolved, it is crystal-clear that the party will have to wage a very tough fight in view of the present various conditions.

When I visited Seoul, Taegu, Pusan, and Ulsan after the general elections, I frequently heard voters for opposition parties (the PPD and the UNP) making the following remarks: "I am now sick and tired of political mannerisms"; "The fortune of the ROK will dwindle away into nothing if this situation is left alone. After all, we require politicians who know economics"; and "The ROK no longer can afford to feed and raise such politicians whose only concern is getting the badge [assemblyman's badge]."

"Stability Rather Than Change"—this was the political consciousness which the people of the ROK showed when the country attained high growth in the 1970's and the 1980's and when the people's living standard was also about to rise in one breath to the level of advanced countries from that of semideveloped countries. It appears that they are now disposed to entertain expectations of a temporary change in order to regain the stability which they are on the point of losing again. In this sense, it may be said that the results of the presidential election to be held in December this year are totally unpredictable.